

All-Party Parliamentary Group for Youth Employment Report



Employer support for youth employment



The All-Party Parliamentary Group for Youth Employment

Enquiry Report: Series 5 – Employer support for youth employment

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The views expressed in this report are those of the group.

Foreword



Michael Tomlinson MP
Chairman
APPG for Youth Employment

I am delighted to introduce the latest report from the All-Party Parliamentary Group for Youth Employment, highlighting the impact of employer support on youth employment. On behalf of the APPG, I would like to thank all of those organisations which provided written submissions to this report, as well as the businesses, business representative organisations and young people themselves, which we heard from in the course of this inquiry.

Employers have been clear about the pressures facing business, as a result of the youth employment agenda. However, it is equally vital for us to focus on the opportunities which engagement with young people, and communities, present for businesses. In meetings this Spring we heard case studies from businesses which, as well as offering more traditional forms of work experience, and early careers opportunities, have been visiting schools to help widen participation and upskill young people for the workplace.

Our conclusions stress the need for a cross government taskforce to review youth employment policy; a call for apprenticeship and skills training reform; and the requirement of enhanced support for smaller businesses. With government, business and young people working together, and an emphasis on local and regional challenges and opportunities, I look forward to seeing even further progress in this area of youth employment, with even greater numbers of young people finding work, flourishing in their roles and fulfilling their career potential.

I also look forward to presenting a copy of this report to the Minister, Rt Hon Anne Milton MP, at our next APPG meeting.



Michael Tomlinson MP

Executive Summary

It is clear that employers want to support the youth employment agenda, and government policy in this area. They want to do this because many have to consider their own skill and workforce development needs, as well as the challenges of an ageing workforce and the impact of Brexit on recruitment and staffing. In addition, many businesses also accept that they have a social responsibility to their communities to develop an inclusive and diverse workforce, and want to support the creation of a thriving economy. There is some excellent practice across the UK demonstrated, for example, by those employers who have already committed to the Youth Friendly Employer Charter.

It is clear that there has been a significant amount of change in the education and skills landscape; as the CBI referenced at one of our sessions, there have been more than 30 skill reforms in 30 years and there are a considerable number of reforms currently in progress with many still being embedded. In almost all cases employers are being asked to become more and more involved with the design and execution of key policy reform. This is not exclusive to the direct asks from the Department for Education, but is also true of requests from other government departments, as well as organisations and programmes funded by government such as The Careers and Enterprise Company and National Citizen Service.

As we heard from St. James's Place, a large employer committed to supporting young people, the demands on their business are significant. There are real operational and quality challenges facing the organisation in terms of what it can offer, and to how many young people. St. James's Place, and employers like it, are starting to find themselves choosing which policy area to support.

When we consider the recommendations from this inquiry, it is important that we also consider previous APPG for Youth Employment Reports that have looked at social mobility and supporting those furthest from the labour market. Government policy should be supporting the most vulnerable groups in society but as we have heard throughout our inquiries, young people from disadvantaged backgrounds are being left behind.

Education and training reforms, when working alongside welfare and civil society policy, have the potential to create a unified and consistent strategy to tackle social injustice and inequality. Yet these policy areas are currently working in isolation, not just across government but within government departments, leaving stark gaps in provision. As a result there is a growing burden on large employers with the needs of SMEs often being ignored.

1. A cross-department taskforce

We recommend that a taskforce is created to work across government departments to develop a joined-up, long-term strategy for youth services and employment. This would include reviewing key asks of employers and endorsement of national initiatives to better connect the currently disjointed landscape.

2. Apprenticeship & Skills reform

We recommend that the government now takes swift action to respond to the unintended consequences of the levy which include a reduction in 16-18 year old starts and Level 2 and 3 starts.

3. Support for smaller businesses

Key to unlocking potential and ensuring that there are quality opportunities in every corner of the country. SMEs need to be better supported to deliver against the government's youth employment strategy.

Introduction

The All-Party Parliamentary Group for Youth Employment was set up in 2014. The group has a number of aims; to promote youth employment in all its forms and the role young people play in the economy, to ensure young people's voices are heard, to highlight the need for quality opportunities, and to share best practice.

'Employer support for youth employment' is Series Five in reports from the APPG for Youth Employment. Previously the group has reviewed youth unemployment data, the transition between education and employment, supporting young people furthest from the labour market and the role the family plays in social mobility.

In this series, the APPG looked to explore the level of employer support for youth employment, where there might be tensions in the system and what is working well.

Government departments have been looking more and more to the business community to step in to support and even solve some of the challenges that exist around skills, careers and employment. Major apprenticeship and technical education reform has put business in the driving seat of qualification design and investment, and there are also calls on business to support careers education, digital skills and social mobility initiatives across a range of departments.

The APPG for Youth Employment wanted to examine the key asks of government and look to understand how business has responded to those requests.

Through the course of this inquiry, the APPG has heard from businesses, business representative organisations, and young people.

The APPG welcomed submissions from external organisations to address some or all of the following questions:

- What are the asks of government on employers regarding youth employment? Are these appropriate and is there a strategic view across government in terms of managing the expectations, and supply and demand?
- Are schools, colleges and youth organisations able to manage the supply and demand needs that they have?
- What are the challenges and opportunities of relying on the businesses community to fill some of these gaps?
- What is working well and what does good employer practice in this area look like?
- What could be done at a local and national level to support employers?

Employer Support for Youth Employment

Employers have been clear about the pressures facing business, including skills shortages and the challenges Brexit may bring. Whilst we have seen the total number of people in employment rise, there are new challenges in terms of scaling and recruiting the right people to ensure business growth generally, as well as growth in an increasingly digital age.

At the same time as managing and preparing for these challenges, employers are currently being asked to support several government and government-related initiatives including:

Apprenticeship Reform – The Department for Education introduced Apprenticeship Reform which included both major changes to the funding of Apprenticeships, through the Apprenticeship Levy, as well as a move away from an Apprenticeship Framework to Apprenticeship Standards, with employers being asked to lead on the development of these Standards.

Careers Education – The Department for Education released its Careers Strategy in 2017 and put employer encounters at its heart. Through the Careers & Enterprise Company, employers are being asked to volunteer in schools and participate in a range of careers learning opportunities.

Digital Skills – The Department for Culture, Media and Sport leads on the Digital Skills Partnership which aims to support the development of digital skills asking employers to support the work of regional skill partnerships.

Inclusive Economy Partnership – The Inclusive Economy Partnership (IEP) was established in 2018 and has an agenda to bring together business, civil society organisations and government to tackle key social challenges. There are currently three priority projects for the IEP that require employer engagement.

Local Enterprise Partnerships (LEPs) – The LEPs bring together local businesses to shape their economic, skills and development strategy. Businesses are asked to be involved with their local LEP at varying levels.

T Levels – The Department for Education's T Levels are being developed with employers to ensure quality technical education levels alongside A Levels. A key component of the T Level is a 45-day work experience placement.

Traineeships – A flagship skills policy, supporting those young people with low education attainment or engagement. Operates through work experience programmes, which include wider personal support, to complete maths and English qualifications.

Welfare Support – The Department for Work and Pensions requires employers to support those looking for work, including young people. Their initiatives include Sector-Based Work Academies, Pre-Employment Training and Work Experience activities. In addition JobCentre Coaches work with a number of schools to develop early careers learning opportunities which include activities with employers.

Work Experience – Through T Levels, the Careers Strategy and Traineeships employers are being asked to provide a range of short and long work experience placements for students and young people.

Alongside these specific requests, employers are also approached by local schools, colleges, universities and third sector organisations supporting young people into employment. These asks might include requirements of staff time, creation of opportunities or financial support, and can be different across regions and industries.

Meeting and Inquiry Responses

Meeting 1

28th January 2019

The first meeting of this inquiry took place on the 28th January 2019. The APPG for Youth Employment welcomed presentations from Ceara Roopchand, Policy Officer at AELP (Association of Employment and Learning Providers) and Jim Cathcart, Director of Policy and Regulation at UK Hospitality.

Ceara Roopchand began by explaining that AELP had 900 members that deliver apprenticeships, predominantly for employers. She talked about some of the issues surrounding traineeships and reported often voiced concerns from their provider members about low awareness levels amongst employers, which made it much harder to explain the benefits. She cited the latest statistics showing a 13% decline in Q1 18/19 and suggested traineeships would benefit from a similar awareness raising initiatives that had recently been applied to apprenticeships .

Ceara then referenced the 1.6m apprenticeships starts, but noted the significant decline in young people undertaking Levels 2 & 3, whilst at the same time there was an increase of 94% in the number employees over the age of 24 working on Level 4, suggesting that apprenticeships were being used to upskill the current workforce. She said that although AELP welcomed the reduction from 10%-5% employer contributions for non-levy payers, they would like to see it abolished for 16-24 year olds working towards Levels 2 & 3.

Discussing T Levels, Ceara referenced research from City & Guilds which found that 50% of employers had little or no awareness of them with only 8% of employers saying they could offer 45-60 days of work placement. She also noted that although some employers were enthusiastic about the concept of offering work placements, they were concerned about the number of placements they were being asked to offer, and also what funding would be available for younger learners from disadvantaged backgrounds to support their smooth transition into the workplace. She suggested that a joined-up conversation was required for many of the government agendas, including social mobility and the workforce post Brexit.

Jim Cathcart began by explaining that UK Hospitality was a body formed in 2018 to represent the UK hospitality sector, and to improve and promote the image of the sector. He made the point that a key strand of its work is promoting the sector to young people and changing perceptions, so they see working in the sector as a career rather than a seasonal job.

He then noted that although UK Hospitality was a great supporter of apprenticeships, it did have a number of asks for government:

- More support for SMEs in accessing apprenticeships and apprentices.
- Flexibility around the 20% off the job training requirement, as the hospitality sector values on the job training.

- Flexibility around funding.
- T levels in hospitality to be brought forward as soon as possible, as they see these as having a key role to play.
- Support to change perceptions about what is deemed a lower skilled role, as roles in hospitality require a number of key skills that are transferable.
- Support for a Sector Deal bringing bodies together to advocate for the sector and to mitigate against possible future workforce shortages.

Meeting 2

25th February 2019

The second meeting of this inquiry took place on the 25th February 2019. The APPG for Youth Employment welcomed presentations from Alice Grimes, Senior Policy Adviser, CBI; Aimee Higgins, Director of Employers and Partnerships, CEC; and Susie Pearson-Giddings, Apprenticeship Manager, St. James's Place.

Alice began by telling the group that education and skills was one of the top priorities for the businesses they represent. She gave two main reasons for this:

- i) The economic imperative; she explained that their research shows that educational attainment at 16 is the biggest driver of regional variations in regional productivity across the country, which means that education can be a fundamental driver of economic performance in each region.
- ii) The social justice imperative; she explained that research shows that the gap between students that face disadvantage and their wealthier peers currently stands at 18.4 months, leading to a huge loss of talent and potential, as well as employers not having young people from a range of backgrounds working in their businesses.

Alice then talked about what business is already doing. She told the group that businesses currently spend around £44.2bn a year on education and training, as well as getting involved in schools, colleges and universities across the UK. She explained that every year the CBI surveys its members, and one of the questions they ask is about their levels of engagement with schools and colleges.

- Three-quarters of members surveyed said they were involved in schools and colleges and two-thirds of respondents (65%) said they wanted to play a greater role in supporting schools and colleges.
- 83% said they provided work experience, work tasters or site visits.
- 70% provide information about traineeships or apprenticeships.
- 68% provide careers advice and inspiring talks to young people.

She went on to explain that businesses have also been active supporters of apprenticeships, as they recognise the importance of a prestigious technical pathway to employment, and how this is vital in tackling the UK's skills challenge and that the CBI are also working with government on T Levels. However Alice went on to say that the current numerous asks from government risk putting a huge demand on employers, and although business wants to be part of the changes, government must make sure they are not putting too much of a burden on it.

Alice also talked about the need for some stability in this space and pointed out that there have been 30 skills reforms in 30 years with the biggest challenge for employers being the Apprenticeship

Levy introduced in 2017. She explained that while businesses wholly support the principle of the levy, the inflexibility of the funds and the lengthy sign-off process for training has meant minimal amounts of the levy have been drawn down by employers, compared to the billions that has been paid in. She then referenced a Freedom of Information request by *FE Week* which found only £370m has been drawn down from the apprenticeship levy fund, compared to the £2.7bn that employers have contributed to date.

She explained that T Levels run the risk of placing further demands on employers. The group heard that employers are concerned about the expectations which will be placed on them, in particular, the 45-day work experience component of the curriculum, and confusion about how these placements will differ from apprenticeships. She talked about the impact that this was already having, citing that in their 'Employer, Education and Skills Survey' this year there was a drop in the number of firms offering apprenticeships, down to 70% this year from 83% in 2017. That same survey also found 26% of firms have taken the decision to absorb the levy as an added cost of doing business. With regard to T Levels she said the survey found that over four in 10 employers (42%) were unaware of T Levels altogether. In addition, 64% of the employers they surveyed were unaware of the T Level work placement.

Alice also mentioned that their survey found that business engagement with schools was down from 81% in 2017 to 72% in 2018, with one of the key barriers being cited that there was too little guidance and support on how to make encounters worthwhile for young people.

Alice then talked about the solution being for business, government and education leaders to work more closely together and to speak the same language. She told the group that the CBI and its members are making gains on the Apprenticeship Levy, with the Chancellor announcing three key reforms in his autumn budget. In terms of T Levels, she explained that the CBI remains a member of the Department for Education's Stakeholder Implementation Group for T Levels and would continue to ensure the voice of business is heard. In terms of school engagement, she told the group that the CBI will be publishing an employer toolkit this year, on how best to engage with schools and colleges, which will also include how to offer high quality work experience.

Susie Pearson-Giddings, Apprenticeship Manager at St. James's Place, began by telling the group that St James's Place had recently signed up to the Youth Friendly Employer Award and that they had had 96 apprentices since 2012 and were proud of their very high retention rate.

She went on to talk about the other early careers opportunities that they offer, including:

- Work experience at Year 10, managing over 100 requests and offering 12 placements a year supporting four local schools.
- Insight days to reach the widest population; three per year in Cirencester and one in London. She said these days were to help young people upskill in soft skills and learn more about finance.
- 40-50 interns across 20 of their locations.
- A graduate programme (both specialist and rotational programmes).

She also explained that St. James's is committed to widening participation and had recently employed a wheelchair user.

In terms of work experience, Susie explained that not all students are engaged, and they were keen to support the most disengaged young people to help them understand what it means to work in a

business. She told the group that in her team, they have an early engagement specialist who goes into schools to try to upskill young people for the workplace.

Susie then referenced St. James's Place's work with Cirencester College, and told the group that the College had wanted to place 52 young people with them for their T Level placement, but they could only take two. She explained that the main challenge for them was in bringing in a student one day a week across 45 days, as this added no value for the young person and none for to them as a business.

Aimee Higgins, Director of Employers and Partnerships at the CEC, began by explaining that they are working with businesses across the country to understand their talent pipelines, and how best to work with schools and colleges. She told the group that its main focus had been building a network of Enterprise Co-ordinators around the country, working with clusters of 20 secondary schools. The role of these co-ordinators was to understand their current provision and then evaluate that against the best practice Compass tool. The Co-ordinators then identify where the gaps are and work with the school to form a solid plan for year ahead.

Aimee explained that a volunteer Enterprise Advisor from business works with a school to get them thinking about their provision from a business perspective. She said there are currently over 2500 volunteers from business, working with over 200 Co-ordinators, engaged with over 2000 schools. She told the group that the CEC is working with government to identify funds that can be used to accelerate opportunities in cold spots. She said they had also been asked to expand their network of coordination to be available to the whole country by 2020 and that they had also launched 20 Careers Hubs in September 2018 and were launching another 20 in September 2019. She explained that these Careers Hubs would demonstrate the value of everyone in an area working collectively to deliver the Gatsby benchmarks. She said that this would be tracked through the Compass tool and published annually through their "State of the Nation" report.

Aimee then talked about the ask the CEC is making of business; firstly, that it would like more Enterprise Advisors to join its network. She explained that more than 50% of the Advisors are from SMEs, and would like more to join. She explained that businesses can also become Cornerstone employers which involves them convening a steering group of businesses in a particular area. She said they had signed up 80 so far, with 40 more to sign and the CEC is keen to raise the profile of the opportunity.

Aimee concluded with a final ask to business: to engage with young people in their areas, and offer them opportunities to understand the world of work. She explained that the CEC is using its Co-ordinators to gather this intelligence from schools and colleges so they can share what other schools are doing in their areas. She explained that the CEC undertook research in the summer of 2018 to understand if Gatsby Benchmark 5 was closing the gap, and had concluded that they need 1.7m more encounters to happen. She said they need 4m per year for that threshold to be met, and the research revealed that some areas were getting far more than that and some were getting none.

Inquiry Responses

The inquiry has had 12 written submissions from organisations and a further three informal contributions.

In both their presentation and written submission to the APPG inquiry, **AELP** argued that there has a significant fall in the number of Level 2 apprenticeship starts, as well as in apprenticeships starts for

those young people aged 16-18. AELP also identified that the number of Traineeships has also decreased significantly.

There are many young people for whom formal secondary and further education programmes do not work: those who disengage with formal education, and young people with additional needs or barriers including those of disadvantage. In these cases, moving on from secondary education to an Apprenticeship or Traineeship can be the right pathway: in a work-based setting that provides both earning and learning opportunities. The opportunity to begin this learning at a Level 2 is equally important, as often it is these young people who do not achieve the necessary GCSE grades to move onto Level 3, and Level 2 can therefore provide a useful stepping stone to a higher qualification.

A reduction in the number of 16-18 year olds starting an Apprenticeship and Level 2 Apprenticeships alongside Traineeships is therefore a cause of concern for people with an interest in social mobility. It raises the question of what appropriate provision is in place for these young people.

In its submission, **The National Lottery Community Fund** highlights the work of the Talent Match programme, a £108m programme which it funds to support young people aged 18-24 who need additional support in their pathway to employment.

The Talent Match programme identified the key challenges and barriers experienced by those young people furthest from the labour market and, through a range of partnerships, developed local approaches to overcoming these barriers. The experience of this programme identified the important role businesses play in supporting youth employment, recognising that there was a real step-change needed in the way businesses engage and support young people. The National Lottery Community Fund recognised the work of Youth Employment UK in developing the Talent Match Mark which is now the Youth Friendly Employer Award to aid businesses in engagement and provide key support.

In their Small Business, Big Heart Report, the **FSB** identified that 58% of small businesses have recruited a young person in the last year, including young people with additional barriers. This figure clearly demonstrates the role SMEs have to play in youth employment. However, SMEs are often unable to engage with skill reform, and are feeling the burden of Apprenticeship reform on costs and resources.

In its submission, **SupplyTrain** identifies that many micro-businesses have multiple barriers to supporting young people, including: administrative burden, risk, employment responsibilities and fluctuation of income. They put forward recommendation of greater support for SMEs through the LEPs and take this further by suggesting great support of ATAs (Apprenticeship Training Agencies).

In its submission, **Movement to Work** responded it does not feel government departments are working in a joined up way on the issue of youth unemployment, with youth provision split across many departments leading to complex asks of organisations.

Through their work with the West Midland Combined Authority, they identified that there were over 16,000 open and available apprenticeships but yet 14,000 young people are NEET (not in education, employment or training) highlighting the disconnect that exists in this complex landscape.

Recommendations

1. A Cross-Department Taskforce

A strategic taskforce needs to be put in place to look at all government policy asks of business, with specific reference to those policy areas that affect youth. This taskforce should be tasked with overseeing the following:

- A review of all requests of business relating to youth employment, skills and social mobility. Research should be conducted to better understand the current and future requirements of employers so that a long-term strategy can be developed.
- Consideration of youth employment in a regional context, reviewing barriers and opportunities at local levels and ensuring that the infrastructure and responsibility is there for organisations to address these local issues.
- Embedding youth voice advocacy, ensuring that young people are involved in the review, design and development of key policies and services that they will benefit from.
- Endorse a Skills Framework so that young people and those that support them can benefit from consistent language. This Skills Framework should then be used as the basis for Apprenticeship, T Levels and other skill-based routes for young people.
- Endorse a careers and opportunity resource, that brings together young people, employers and third sector organisations.
- Endorse a resource that assures the quality of opportunity from businesses including early careers, work experience and employment. This resource should also be able to provide key support to employers on all youth employment matters.

2. Apprenticeship & Skills Reform

Business and business bodies have been calling on the government to review some of the elements of their key reforms for more than 18 months, as they recognise that there are tensions in the current system and that young people are feeling the burden of some of the unintended consequences. Recommendations include:

- More flexibility around the 20% off the job training as many businesses are worried about the cost and burden of this fixed requirement. If functional skills were to be included in this time, there would be greater support for it.
- Making it easier for levy paying employers to transfer more of their underspend to their supply chain.
- Ensuring a minimum level of personal support and development is available to all young apprentices aged 16-24 which would include skills, financial support and guidance.

3. Support for Smaller Businesses

Smaller firms constitute 99.3% of all private sector businesses. These businesses employ 16.3m; 60% of all private sector employment in the UK. They are often best placed, in terms of location and community links, to support young people into employment. However, for a small firm the costs of funding this type of support have a real impact so it is key that the government looks at providing SMEs with financial support; for example a one-year Employer National Insurance Contributions holiday for smaller businesses employing young people aged 16-24.

The government should also consider how it can ensure that smaller business are better supported to engage with key policy reforms; for example ensuring SMEs are consulted on the 45 day work experience requirement of T Levels and how they can be supported to assist in the implementation of the reform, and guaranteeing that they are included as part of the curriculum consultation.

Smaller firms would benefit from clearer guidance and support on how to engage and support young people, such as through careers education, work experience and employment. We recommend that SMEs are signposted to a service that can both recognise and support them to develop good practice.

Appendices: Submission Information & Written Evidence

Youth Employment UK

Youth Employment UK CIC is a not-for-profit organisation dedicated to tackling the issue of youth unemployment. Young people are three times more likely to be unemployed than any other group and their challenges are very real. Youth unemployment has a huge impact on both the economy, and emotional health and well-being of young people.

Young people are at the heart of what we do and their voices and experience shape all our work including our services and policy positions. More than 65,000 young people aged 14-24 benefit every month from our free online skills and career resources , and through our network share their experiences of youth employment.

We provide membership and expert services to a range of stakeholders including employers, charities youth organisations and educators. Youth Friendly Employer Members sign up to our five principles of good youth employment practice and in return receive an extensive range of support services and benefits. These services include training, resources and updates to ensure that members can align themselves with best youth employment practice, understand the latest policy developments and ensure they can access personalised support to address their specific youth employment needs.

Through their membership, organisations are also able to promote themselves as Youth Friendly Employers. Their organisation and the types of opportunities they offer can be viewed by the young people using our career and skill resources, thereby addressing the ongoing disconnect between employers and young people.

Youth Employment UK works closely with government to review policies and programmes for young people in the UK. Our aim is to help government understand the needs and challenges faced by young people and ensure government policy reflects this.

What are the asks of government on employers regarding youth employment, are these appropriate, is there a strategic view across government of managing the expectation, supply and demand?

Youth Employment UK work with several government departments all of whom have some responsibility to support youth. Across these departments and including the Cabinet Office, there are a growing number of asks of businesses and some might argue that the government is looking for employers and civil society organisations to step in fill the gap that has been left by austerity. From skills reform including the Apprenticeship Lev to Careers Education and welfare services,

employers are being asked to help develop government policy and also offer more practical support with implications for resourcing as well as the types of opportunities they can offer.

Whilst we welcome the fact that employers are being given the opportunity to help shape and steer government policy, we believe it should be proportionate to the skills and ability of business to understand the wider context and landscape of the areas they are being asked to support. In reality the government's current approach means that only a limited number of large London based corporates are in a position to be able to share their insights, resulting in SMEs and those businesses outside the capital being less involved with policy and or training and development initiatives.

Youth employment programmes appear to operate in isolation across government and we often hear that employers are confused about the work that is taking place. It does not feel that there is a joined-up youth strategy.

We would also argue that young people should be included within these consultations, as the service or policy beneficiary they are often excluded. This puts policy at risk of not engaging or being appropriate for those people it is aimed to help.

Are schools, colleges and youth organisations able to manage the supply and demand needs they have?

We know that schools, colleges and youth organisations require and benefit from the support of employers. Sometimes that support comes in the form of work experience or interactions with young people such as careers fairs, talks or mentoring. For third sector organisations there might also be funding or sponsorship requests for employers.

There are many challenges in this area. The Careers and Enterprise Company is leading some excellent work to provide a strategic link between employers and educators but this does not stretch to third sector organisations and only works for those educators who are able to put the resources into managing the relationships.

In addition, there is an increasing gap in provision for those young people who are no longer supported by a school or college. It is much harder to support those 800,000 young people who are not in education, employment or training with good employer networks.

Third sector organisations also have their own requirement of employers to support their programmes and this can which can often lead to businesses being contacted by a range of organisations all vying for support.

What are the challenges and opportunities of relying on the businesses community to fill some of these gaps?

We view the two main challenges being a lack of coordination and quality assurance. Businesses often report to us that they do not know where to put in their resource, or what organisations they should choose to support. Quite often their approach to youth employment is therefore sporadic with pockets of initiatives across the business, most often where a member of staff has a link or has been approached directly. This tactical approach is often unsustainable as a lack of central coordination means there is no oversight to ensure quality nor link to the wider work and youth employment objectives of the organisation.

Youth Employment UK has recently supported a corporate employer to develop their youth employment strategy. The strategy has consolidated all of the youth employment initiatives the business was engaged with and has put best practice processes and training in place. It has also

ensured that all their initiatives are linked to the organisations workforce development and CSR strategies. This has resulted in the improvement of the quality of opportunities available for young people and also ensured that there is a clear ROI for the employer so that their work in this area is sustainable.

Employers, of all sizes, also often report to us that they are ensure what good quality youth employment engagement looks like and are operating in the dark as they implement early careers, work experience or apprenticeship programmes. The Youth Friendly Employer Award and Membership to Youth Employment UK provides employers with a clear framework of good youth employment practice along with the training, case studies, insight and support business need to develop and benchmark their programmes.

The following is a quote from St. James's Place Wealth Management who have recently completed the Gold Standard Youth Friendly Employer Assessment:

"Signing up for the Youth Employment UK Charter was just the start of our journey. It was important for us to complete the application to become Gold Standard members in order to evaluate our Early Career programmes against a framework of set measurables within an evaluation tool kit. These measurables have been identified by a trusted and respected organisation that is recognised by businesses and young people from across the UK, as well as having influence in government policy changes. As members we will benefit from sharing best practice and resources, as well as having the chance to network with other organisations and have a say in influencing government policies in the future. I would highly recommend other organisations to complete this assessment process and become Youth Friendly Employers. The support, resources and confidence it has given us to identify if we are following best practice, alongside the ability to have your say in, potentially, influencing government policy is invaluable to us as a youth employer."

There is certainly a big opportunity to increase the level of engagement of business and ensure that businesses from all sectors and of all sizes and regions are supporting youth employment initiatives. The appetite is there from business, but it is often a lack of understanding, training or coordination that prohibits their engagement.

What is working well, what does a great employer look like?

The Youth Friendly Employer Award provides a framework of what good practice looks like in three key youth employment areas:

Explore – the early careers work, such as school engagement (careers fairs, talks, workshops etc)

Experience – the opportunities provided to young people through work experience

Employment – the routes into employment such as apprenticeships, graduate and entry level roles

The framework was developed with businesses and young people and has been externally assessed by Goldsmith University as a robust and quality resource. Youth Employment UK is then able to provide all of the organisations within its membership the support they need to meet the criteria of the framework including; training, case studies, resources, templates and much more.

By having a national standard award that recognises good practice in all three of these important areas allows for businesses to consider the whole strategy and test their programmes out against one quality framework.

Employers who have the Gold Standard Award include McDonald's EY, St. James' Place and Coca-Cola.

What could be done at a local and national level to support employers?

We believe that government should recognise the Youth Friendly Employer Award and Membership to Youth Employment UK. By doing so, all employers supporting young people will have a resource that allows them to improve and develop the opportunities they create for young people. It will coordinate those businesses, keeping them informed of new developments and opportunities from government and creates a quality assurance for young people that these employers are good.

In addition, Youth Employment UK has more than 65,000 young people using our online skills and careers resources each month and we are able to connect those young people to the Youth Friendly Employers who are in our Membership. This final benefit would start to better address the disconnect that still exists between young people and employers.

Youth Employment UK are already working in two pilot areas to create a Youth Friendly City and Town. These campaigns will help to engage with the local businesses and young people and bring them together to ensure that there are enough quality opportunities for all young people to fulfil their potential.

Youth Employment UK also believes that the government should create a taskforce that is able to work across departments and bring together all of the asks of employers regarding youth employment. This way a more strategic approach could be taken to ensure inclusivity and that importantly we do not unintentionally create employer fatigue and can then ensure all young people receive equal support.

Association Education and Learning Providers

Overview

The skills sector has undergone a significant transformation over the past couple of years- through apprenticeship reforms, the development of new technical qualifications otherwise known as T- levels and a more robust functional skills curriculum due to be implemented in September 2019. These programmes all have similar objectives in that they aid to support young people to become work-ready and addressing long-term challenges on low productivity and social inequality. Whilst these changes are well-intentioned by their designers, poor implementation with little consideration for young people has disrupted the intended outcomes of, for example, apprenticeships. This is especially so with the removal of many incentives to train and employ young people which must be reviewed urgently.

Summary of key arguments

- Government should provide greater support to Technical Education reforms which provide a crucial opportunity for the FE sector to work with employers and have a single conversation about traineeships, apprenticeships and T levels.
- AELP calls on IfATE to address its institutional bias against level 2 apprenticeships, starting with the replacement standards for the key level 2 Business Administration framework which has been a vital starting point for young people over the last number of years.
- Traineeships continue to have vast untapped potential as a route into work for young and unemployed people. There is an urgent need for greater flexibility in engaging with the programme for employers and providers to increase uptake and interest.
- Non-levy paying employers should have a guaranteed non-levy budget of £1bn/annum to support greater SME participation in apprenticeships.
- We strongly urge for a review of disadvantage and young people's incentive payments to increase the number of young people in apprenticeships.
- Functional Skills must be included as part of 20% off-the-job training and be adequately funded to encourage employers to recruit those without the minimum English and maths requirements.
- AELP welcomes the announcement of a reduction in the co-investment rate from 10% to 5% and it is about time that the change is implemented.
- Government must honour its manifesto commitment to reduce travel costs for apprentices.

What are the asks of government on employers regarding youth employment, are these appropriate, is there a strategic view across government of managing the expectation, supply and demand?

There are a variety of further education opportunities on offer for young people where employers are required to have extensive involvement. There are traineeships which are designed to help young people who want to get an apprenticeship or job but don't yet have appropriate skills or experience. Lasting up to 6 months, traineeships are for learners aged 16-24 who are not currently in a job and have little work experience, but who are focused on work or the prospect of it. Providers and employers will recruit learners if they believe the learner has a reasonable chance of being ready for

employment or an apprenticeship within six months of engaging with the programme. While the intentions of traineeships are positive, poor programme management has caused it to lose significant momentum.

Most importantly, there is an urgent need to address the ongoing perverse measures of the ESFA which penalise providers through their QAR data even when trainees are progressing into outcomes defined as programme goals, such as employment, an apprenticeship or further education/training. This has resulted in providers pulling out from delivering traineeships completely. To reverse this alarming trend, we believe there is a need to tackle the disjoint between the recognised and accepted aims of the programme thereby removing perverse provider success measures to take account of early non-achieving leavers progressing into positive destinations as per the outcomes of the programme.

There is low awareness of traineeships amongst young people, with starts also highly dependent on referrals from providers or Jobcentre Plus (JCP). Referrals from JCP are limited and issues still remain in regards to traineeship participation impacting unemployed learners' benefits linked to the "16-hour rule."

From an employer perspective, there are several barriers that prevent greater engagement with the traineeships programme. Our provider members have voiced concerns over the low awareness amongst employers and providers can then find engaging employers difficult- ultimately a challenge around low brand awareness. Statistics¹ show that there were 5,900 traineeship starts were reported in Q1 2018/19 – a 13.4% decline compared to Q1 of 2017/18 and a 19% decrease in comparison to 2016/17.

For employers, in the case of Halfords² had pulled out of the programme after bad publicity and PR relating to offering unpaid, but high-quality and valuable work experience. This was despite hosting 115 trainees, 45 of whom were taken on as apprentices by the retailer at the end. Such experiences should serve as a lesson to be heeded as we approach T levels and the expectations of work placements. AELP believes there should be more public support and backing from Government about the value and role for traineeships in the FE system. Going further, employers must be given greater flexibility to engage with traineeships to counter the decline in starts we have seen in over two successive quarters.

Another opportunity to address youth employment is through apprenticeships. In 2015, the government set itself a target of achieving 3 million apprenticeship starts by 2020. DfEs latest statistical release shows 1,627,300 starts were reported up to Oct 18 – making the target seem unachievable with 1.3m starts required between now and 2020.

Whilst the apprenticeship programme has the potential to be a greater success than is currently the case, we believe the following issues must be addressed immediately. This includes better SME engagement with apprenticeships as both DfE and ESFA are encouraging a shift in focus from SMEs to larger, levy-paying employers while operating within a finite budget. Experience has shown the previous non-levy apprenticeship funding tender was disastrous due to minimum contract values thus

¹ Department for Education. (2019). *Apprenticeships and traineeships release, England: January 2019*.

Available at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/772527/Apprenticeship-and-traineeships-release-January-2019.pdf (Accessed: 13 January 2019).

² Butler, S. (2019). Halfords and Prudential criticised over unpaid traineeships. [online] the Guardian. Available at: <https://www.theguardian.com/money/2017/sep/12/halfords-and-prudential-criticised-over-unpaid-traineeships> [Accessed 20 Feb. 2019].

leaving many training providers including a significant number judged good or outstanding by Ofsted with no contract to deliver. This was despite many of these providers, being niche specialists with many years' experience of working with smaller employers and offering apprenticeships in their locality, supporting young and disadvantaged apprentices. Those affected range from universities, colleges, large national charities, medium-sized providers through to small niche providers.

In January 2019 the ESFA announced significant changes which will have a catastrophic effect on the 98% of employers who do not pay the apprenticeship levy. In their communication, the ESFA stated that they do not "*anticipate awarding growth during the extension period (March 2019 – April 2020) unless significant additional budget becomes available. We will also stop funding over-delivery. These are changes from current arrangements.*" This statement coming within a few weeks of the launch of the new flagship multi-million pound "Fire it Up"³ government-funded campaign to target and engage with SMEs, young people and their parents in apprenticeships. Only £500m was allocated by ESFA to SMEs to deliver apprenticeships from Jan 18- March 19, half of the £1bn that was made available in the previous year. We have consistently voiced concerns over the lack of a guaranteed budget for SMEs and call for guaranteed funding of at least £1bn a year for non-levy paying SMEs for their apprenticeship needs.

Greater consideration must be given to the funding arrangements implemented as part of the levy reforms which disadvantaged the engagement of young learners. This includes the young persons' incentive and disadvantaged funding which acted as an incentive to the learner, employer and provider to engage with apprenticeships. We strongly believe there needs to be a review of the approach to incentives for both employers and providers to recognise the extra activity required to support young entrants as opposed to upskilling existing employees.

The introduction of the co-investment rate for non-levy employers who previously were not required to contribute to the costs of training their apprentice has unsurprisingly created yet another barrier to young people participating. SMEs must also factor in additional support required for young and disadvantaged apprentices who don't have the necessary work or life experience as opposed to upskilling existing staff.

In September 2019, reformed functional skills will come into effect which requires a 20% increase in guided learning hours as part of a more robust curriculum. Given the increased demands we can expect from the revised curriculum, there is a strong argument to review the funding rates for functional skills which currently encourages employers and providers to avoid those needing maths and English and must be completed in addition to 20% off-the-job training. To encourage employers and providers to engage with those who have not achieved their maths and English, we believe functional skills training should be included as part of the 20% off-the-job training time within an apprenticeships and its funding rates within apprenticeships should be aligned with the standalone rates paid for all other learners. With the new curriculum just months away from implementation, it is an opportunity to remove rules that do not support Government's priority to get learners to level 2 in maths and English. This includes the removal of the requirement for level two apprentices to be required to sit, but not pass the level two functional skills test.

T levels will bring with it new expectations of employers, particularly due to a lack of understanding of what they are and the increasing number of work placements required from employers. Our very

³ GOV.UK. (2019). New Apprenticeship Campaign 'Fire It Up' launches. [online] Available at: <https://www.gov.uk/government/news/new-apprenticeship-campaign-fire-it-up-launches> [Accessed 20 Feb. 2019].

own research with City & Guilds⁴ last year highlighted employers and education providers voice serious concerns over T Level work placements with almost half (49%) rating their understanding as poor.

In addition, 74% of employer's surveyed support work placements saying they are willing to play a greater role in helping students apply their learning in the workplace setting. However, both employers and training providers express concerns around the implementation of the work placements with 85% of employers felt that financial support would be necessary to enable employers to offer the required quantity of work placements, to support learner access and to support learning providers.

If we see proper government support, the proposed T Level programmes provide an incredible opportunity for the FE sector to work more closely with employers and have a single conversation with them about apprenticeships, traineeships and T Level work placement.

Are schools, colleges and youth organisations able to manage the supply and demand needs they have?

This question should be expanded to cover training providers who engage with and deliver to young people and have had to come to terms with the increasing demands of working with young people and the decline in funding to support this.

For example, the funding methodology implemented as part of the apprenticeship reforms equalised the base rate of funding for all age apprenticeships. Prior to May 2017, the sector operated under a government designed model of guaranteed "fully-funded" for 16-18 apprentices, with a 50% "co-funding" model for apprentices aged over the age of 19 on the date they commenced their apprenticeship. Apprenticeship funding rates that make taking on 16-18-year-old apprentices attractive to employers and training providers through additional funding to reflect the additional effort required.

To offset the equalisation in funding rates between all age apprenticeships, the government in May 2017 also implemented a new financial incentive model to both employers and providers. The government currently now offer both the employer and the provider a £1000 incentive for each 16-18-year-old they take on and train. This incentive although applies to all employers is also less than the £1500 Apprenticeship Grant for Employers (AGE) incentive for smaller employers who were previously incentivised to take on 16-24-year-old apprentices.

Many employers are also telling both AELP and our members that the flat rate of £1000 is not enough of an incentive to effectively take a school leaver or an older individual into a new apprentice role. In the construction sector, we have been told by employers that the cost of additional insurance and the fact that apprentices under 18 need to be supervised at all times far outweighs a £1000 grant. Some of these apprenticeship programmes are also delivered over a 2 or even a 3-year period – the £1000 incentive is the same regardless of programme duration and level, therefore an even less of an incentive and an influence in the decision making process of recruiters. In summary, AELP believes the government needs to review the financial incentive it offers to employers and providers to make it much more attractive.

⁴ AELP and City & Guilds. (2018). *T Level Work Placements Research*. Available at: <https://www.aelp.org.uk/resource-and-information-centre/resource-and-information-centre/research/t-level-work-placements-research/> (Accessed: 13 February 2019).

Alongside the 20% off-the-job training commitment which is stopping a number of employers committing to new apprenticeships starts, there is a further barrier related to this in regards the additional training required to support young apprentices who require maths and English. The government has perversely long argued that delivering maths and English as part of an apprenticeship provides “better economies of scale” and therefore only providing around 50% of the rate that it pays for maths and English delivered in a classroom. In reality, the cost of delivering to a cohort in a classroom is less than sending specialists into the workplace to support apprentices on a 1-2-1 basis and the government should ensure appropriate levels of funding in the Spending Review in line with the reforms to Functional Skills which start in the Autumn of this year.

Within an apprenticeship, as maths and English is funded in addition to the vocational programme it does not count as part of the 20% off-the-job requirement, meaning future study time during working time is required. From an employer’s perspective, we are hearing of a diminished appetite to recruit new apprentices or even upskill existing staff in need of training as this is yet a further commitment and in the service and support sectors that employers cannot simply afford the additional cost to backfill for employees. In summary, we believe training time for maths and English for those who require it should be included within the calculations for off-the-job training.

In addition, providers continue to experience significant challenges in reaching young people to discuss what opportunities are available to them, resulting from a lack of impartial careers information, advice and guidance in schools. Introduced in 2018, the Baker Clause stipulates that schools must allow providers access to students in years 8-13 to discuss non-academic routes available to them. It was expected that by requiring schools to grant access, providers could engage with learners given the bias towards non-academic routes to address skills shortages and productivity challenges that continue to persist. Whilst we welcome the opportunities the Baker Clause provides in opening up schools to the further education sector, we believe that this should be a gradual process—schools should not be overwhelmed by providers attempting to access them.

One year on since its enforcement, we continue to hear of providers not being given access to students and schools not publishing policy statements that should cover procedural requirements in relation to requests for access. In response to this, AELP in collaboration with The Association of School and College Leaders (ASCL) produced a briefing paper⁵ providing an overview of the Baker Clause, its implications on stakeholders and guidance that supports navigating the further education sector. This paper is beneficial to multiple stakeholders including schools, providers, young learners and their parents/carers.

What are the challenges and opportunities of relying on the businesses community to fill some of these gaps?

The apprenticeship reforms have created opportunities for greater employer engagement, particularly with trailblazer groups who design apprenticeship standards and place employers in the driving seat. This has enabled employers to design apprenticeships that contain the relevant knowledge, skills and behaviours they seek in their workforce. In addition to apprenticeships, with traineeships and soon to be T levels paves the way for employers to use recognised programmes as part of a long term recruitment and retention strategy rather than cheap labour hire.

High-level programmes including degree apprenticeships have been fantastic at improving the awareness of the apprenticeship brand and its value, but must not be allowed to spiral out of control

⁵ AELP & ASCL (2019). *The Baker Clause: Best Practice Guidance for Schools, Providers and Learners*. [online] Available at: <https://www.aelp.org.uk/media/2710/bp-58.pdf> [Accessed 25 Feb. 2019].

at the expense of lower level provision. Around 40% of young people currently leave school without a basic pass in maths and English and should aspire to achieve the highest level possible, but in reality, this takes time and access to suitable entry points in the education ladder of opportunity. It must be stressed that a balance is required between the surge in uptake at higher levels which employers have preferred does not continue at the expense of lower levels opportunities for young people hoping to start their careers.

As the FE budget is finite and under pressure, the introduction of the option to partially or fully fund the non-governmental contribution through the introduction of HE funding would be a sensible alternative to fund the level 6 and level 7 provision. Degree apprenticeships provide an opportunity for learners to embrace a combination of work and study, whilst receiving financial remuneration throughout its duration. In addition, the apprentice graduates with no personal debt to repay – this represents a game-changing opportunity. The Post-18 Education and Funding Review presented itself in a timely manner when tuition fees are at their highest ever recorded and the average student now graduating with £50,000 worth of debt with no guarantee of employment in their sector upon completion. We believe half of the annual £10bn spent on tuition fees should be made available for apprentices, to support the growth in higher and degree-apprenticeships.

Despite its teething issues following the introduction of the reforms, it is generally accepted that apprenticeships are a force for good helping the country to address its productivity challenges, improve social mobility and more recently, assist in training our domestic workforce as the UK prepares to leave the EU. Apprenticeships at all levels have the potential to alleviate the aforementioned challenges, however, we find an institutional bias within IfATE against L2 apprenticeships. Employers have been denied the opportunity to develop low-level apprenticeships such as L2 Business Administration which is an important entry route for young people, has a positive impact on staff recruitment and retention and has support from employers such as East Sussex County Council, Health Education England and Thames Valley Police. The denial of establishing a L2 programme by the Institute negates their mantra of putting employers in the driving seat by denying them the very apprenticeship they desire with no clear justification. As a result, AELP has joined with employers in submitting a new proposal⁶ to IfATE for an apprenticeship standard in Business Administration at level 2. We believe the latest proposal has been considerably strengthened after much work and input from employers, providers and EPAOs who overwhelmingly support it. The proposal sets out a detailed curriculum including digital requirements resulting in a robust level 2 standard in terms of on-the-job and off-the-job training.

There is growing pressure on the number of high-quality work placements that are needed not only for traineeships but also T levels once they are fully rolled out with 15 routes by 2023. Colleges are already reporting that they will only be able to deliver T levels where a suitable placement can be arranged with local employers which will result in limited options for learners due to their locality. We have seen, for example, the challenges disadvantaged apprentices face with transport costs to reach their place of work and despite government committing in its 2017 election manifesto to cut travel costs for apprentices, this has failed to materialise. There are concerns T level students will experience the same difficulties, particularly those who will travel long-distance to complete their work placement and this has yet to be addressed.

What is working well, what does a great employer look like?

⁶ AELP (2019). A proposed apprenticeship standard for Business Administration Level 2. [online] Available at: <https://www.aelp.org.uk/resource-and-information-centre/resource-and-information-centre/publications/a-proposed-apprenticeship-standard-for-business-administration-level-2/> [Accessed 20 Feb. 2019].

A great employer would ensure they are using recognised programmes as part of a long-term recruitment and retention strategy as opposed to simply hiring cheap labour. Below we have set out case studies of employers embracing programmes that encourage youth employment.

Traineeships

- A partnership between Skills Training UK and BT has been highlighted by the Government as part of its 'best practice Traineeships guidance' which is made available to providers of the programme and employers. The 'Traineeships Framework for Delivery 2015-2016' was published jointly by the Department for Education and Department for Business, Innovation and Skills. The partnership between Skills Training UK and BT, featured in the Framework, offers Skills Training UK's young trainees the opportunity to gain an insight into new technology, the media and communications networks during a two-week work placement at a BT centre.
- Babington runs a traineeship programme with Streetwise where they have supported young individuals who face multiple barriers to employment including learning and behavioural difficulties. Despite learners facing these barriers, Babington has achieved successful outcomes in getting young people onto apprenticeships and into employment.

Apprenticeships

- We see best practice among our members but also much closer to home as our own workforce has several apprentices in a variety of roles from business administration to data analysis. The skillset and qualities our apprentices bring to the organisation are felt from their very first week they are with us.
- Barclay's offer traineeships along with foundation, advanced and higher apprenticeships between level 2 through to level 7. They have supported young people who, for example, are primary carers from a very young age and are at risk of disengaging with the world of work starting on foundation degrees and often working up to degree-level apprenticeships. Barclays provides a supportive environment to ensure those who are disadvantaged have the support required to flourish in their role.
- Direct Line chose to work with managed service provider Babington Group to offer around 300 apprenticeships across multiple areas. The company is on track to spend its levy money before it runs out and tracks this on a rolling basis – 2019 will see greater investment in higher apprenticeships in order to make more use of the levy funding. They decided to start with the basic qualifications at level 2 and 3 and get good at delivering those, rather than go straight in for the higher apprenticeships to use up their levy pot.

European Social Fund (ESF)

- Preston College leads on an ESF-funded programme titled 'Lancashire Moving on Project' which supports 14-19 year-olds and young people up to age 24 if they have an Education, Health and Care Plan (EHCP), to bridge the gap between a young person being disengaged or at risk of becoming disengaged and getting them into paid employment, education, apprenticeships or traineeships.

The outcomes so far include an 80% success rate with the majority of young people going on to do an apprenticeship or participate in education. This illustrates the importance of additional support for disadvantaged young people who are most likely to enter their education at level two.

As ESF funding is due to conclude in 2020, the successor UK Shared Prosperity Fund must ensure that education and skills remain a priority for future funding. Given the high proportion of low-level programmes ESF currently funds, it is vital that they are protected and continue to serve learners in areas of disadvantage who may otherwise have no alternative opportunities to acquire skills needed for employment.

What could be done at a local and national level to support employers?

Traineeships

- The removal of traineeships from QAR

Our concern is the fact that the biggest barrier to traineeships is its inclusion in QAR- therefore AELP calls for its removal from QAR. The need to address the ongoing perverse measures of the ESFA which penalise providers through their QAR data even when trainees are progressing into outcomes as defined as programme goals, such as employment, an apprenticeship or further education/training. Doing so would prove an opportunity to increase provider appetite for the programme and encourage greater employer engagement.

- Greater public support for traineeships by government

Despite the programme's potential, traineeship numbers have not grown as they are not being given the necessary priority to enable and establish traction with learners and employers. Parity of esteem not only between HE and FE is paramount, but parity within FE is just as important. Traineeships used to share the platform with apprenticeships as the government's flagship Skills programmes. Publicity and public support for the programme has dwindled dramatically. We are not aware of a single keynote speech from the Skills Minister backing or publicly promoting the programme. All the focus has been on apprenticeships and now T-Levels.

Apprenticeships

- A guaranteed budget for non-levy employers

There continues to be no guarantee of a budget for non-levy employers whilst they adjust to the levy reforms and apprenticeship standards are increasingly approved for delivery, we expect to see an increase in levy-paying employers utilising their funds. This will mean that less funding filters through the system to support the 98% of employers who do not pay the apprenticeship levy. That is why AELP has always called for a minimum annual budget for non-levy payers of £1bn – the amount of budget allocated by government prior to the apprenticeship reforms. AELP has been calling for a guaranteed non-levy budget at the level of previous non-levy activity prior to the introduction of the new policy in 2017.

- Implement the reduced apprenticeship co-investment rate

In the Autumn Budget, the Chancellor announced a reduction in the co-investment rate from 10% to 5% for non-levy employers and levy paying employers who spend beyond their levy pot. Whilst this reduction is welcomed, its implementation date is yet to be decided. The co-investment is a disincentive to hire an apprentice especially when additional work is required to support the most disadvantaged apprentices or younger apprentices with less initial work and life experience, especially in those sectors which offer the greatest opportunity for first steps for many disadvantaged individuals.

- Enhance incentives for employing young people onto apprenticeships

The replacement of the previous effective system of disadvantage funding significantly reduces the funding for individuals with the greatest need for support. AELP believes that the methodology implemented from May 2017 to provide additional funding to support disadvantaged apprentices is not fit for purpose. Learners that need the most support are suddenly finding it is non-existent and this is preventing them from entering and achieving in the apprenticeship market. As a matter of urgency, government should re-introduce the previous disadvantage funding methodology.

- Include English and maths as part of 20% off-the-job training and review funding for the recently reformed, more robust functional skills

In May 2017, new funding rules demanded that teaching for additional English and maths cannot count towards the 20% of working hours spent training off the job as part of an apprenticeship. Training time for maths and English is required in addition to the mandatory off-the-job training with the least able apprentices placing the heaviest burden on employers and providers.

Ministers remain convinced that a compulsory GCSE resits policy for maths and English is a good thing despite 120,000 young people failing a resit each year and only 30,000 passing. The frustration is compounded by the fact household name employers are perfectly happy to recognise the acquiring of applied Functional Skills as an alternative in the new apprenticeship standards. A proper upfront assessment for 16-year-olds who failed the GCSEs first time on which option they should follow would surely end unnecessary disaffection and enable them to get relevant maths and English development.

September 2019 will see the introduction of a strengthened curriculum with an increase of twenty per cent teaching time for the reformed functional skills in maths and English, but the government has no plans to change the funding of their teaching within an apprenticeship even though it stands at half the classroom rate. Astonishingly the DFE tries to justify this on economies of scale when apprenticeship training providers are often teaching the subjects to one or two apprentices at an employer's workplace while a teacher in a classroom environment can teach 30 at a time. If the government wants apprenticeships at the lower levels to remain viable for delivery, fair funding of functional skills must be addressed.

Many employers tell AELP provider members that they simply cannot afford employees to be away from 'productive' working, resulting in fewer apprenticeship opportunities being offered to those with no English and maths. AELP strongly believes English and maths should be considered part of the off-the-job requirement which will encourage providers and employers to work with

learners who are yet to gain them and ensure learners are up to level 2 in line with the government's priorities.

T levels

- AELP welcomes the introduction of T levels which optimises choice for learners in progressing in a career or occupation across both academic and vocational routes. However, we believe there should be more testing of T level delivery in non-College environments to ensure the policy utilises the full potential benefits of roll-on roll-off provision. Going forward, we would like to see training providers be given greater opportunity to deliver in this area, who already deliver 75% of apprenticeships in England- a testament of strong, established employer relations.

About AELP

Members of the Association of Employment and Learning Providers (AELP) support employers in the delivery of 75% of apprenticeships in England and they deliver other publicly funded skills and employment programmes through engagement with 380,000 employers. The majority of AELP's 900+ members are independent, private, not-for-profit and voluntary sector training and employment services organisations with employers, universities, FE colleges, schools and end-point assessment organisations joining AELP in increasing numbers.

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Business in the Community

About Business in the Community

Business in the Community (BITC) exists to build healthy communities with successful businesses at their heart. We are The Prince's Responsible Business Network - a business-led membership organisation made up of progressive businesses of all sizes who understand that the prosperity of business and society are mutually dependent.

In the spirit of being a responsible business, our members are committed to: being the best they can be in delivering social, environmental and economic sustainability across all areas of their business; and working with other businesses to bring together their collective strength and be a force for good. We use our Responsible Business Map⁷ to guide members on a journey of continuous improvement. From community engagement to employment, diversity and the circular economy, we offer expert advice and specialist resources, driving best practice by convening, sharing learning and recognising great performance across our influential network. Through participation in BITC's ground-breaking campaigns and programmes, businesses can collaborate and help to bring about lasting change on a wider scale which benefits both business and society.

BITC is committed to supporting its members to understand the impact which businesses can have on helping younger people into good work.

What are the asks of government on employers regarding youth employment, are these appropriate, is there a strategic view across government of managing the expectation, supply and demand?

BITC's view of the government's asks or strategic overview is mixed; we very much support some of the concepts which the government has developed to encourage youth employment but have found in discussion with our members that the day-to-day application can fall short of expectations.

We were pleased to see the publication of a comprehensive Careers Strategy in 2017, as it set out clear asks of employers through the infrastructure set up by the Careers and Enterprise Company (CEC). However, although we support the Gatsby benchmarks as the key framework for careers provision, the strategy presents two significant challenges.

Firstly, not enough attention is paid to embedding excellence. Whilst the CEC has published some advice, schools are able to meet the benchmarks whilst only accessing poor quality provision; in particular, benchmarks 4, 5 and 6 measure volume not impact or quality. We are working with our members to support them to ensure they engage with high-quality, evidence-based activity which will have a long-term impact. We use the SkillsBuilder framework to structure our own evaluation.

Secondly, the strategy does not adequately recognise the additional needs within areas of high deprivation. Although deprivation did factor into the government's choice of opportunity areas, there was a wide range of other criteria used as well. Poorer areas – even those with high levels of

⁷ <https://www.bitc.org.uk/what-responsible-business>

existing career engagement – have specific needs, and future resourcing of the strategy should reflect that. Hubs appear to have been chosen to cover a wide range of areas to demonstrate proof of concept – we would prefer resource be focussed on the areas that need it most.

Beyond the Careers Strategy itself, the government's guidance on youth employment lacks the coherence and practicality we would like to see. For example, our members have repeatedly emphasised that the Apprenticeship Levy is overly restrictive and complex; it does not supply the flexibility they need to invest in the skills development of their current and future workforce. The effects of this will be particularly acute for young disadvantaged people for whom an apprenticeship can be too challenging an entry point, and our members report that these groups often struggle to sustain an apprenticeship. These young people benefit from tailored support to build the confidence and skills to move towards an apprenticeship or job in the future, and we could increase this activity if businesses had the flexibility to use their levy payments more flexibly in support of a disadvantaged target group. We are eager to work with government to address this imbalance.

Are schools, colleges and youth organisations able to manage the supply and demand needs they have?

The CEC's Enterprise Coordinators are intended to manage that supply and demand locally – the role is relatively new, and their jobs will be easier once the CEC training for Careers Leaders begins in September 2019. In addition to this, we run a training programme for teachers in business engagement which helps them to manage this type of relationship.

More broadly, we support the broadest possible learning experience for young people in school. We are concerned at reports from schools and others that budget constraints, Progress 8 and some of the ways in which schools are inspected have led to a limited curriculum. Our members are strong advocates for music and the arts, languages, humanities, as well as STEM, and vocational education, and significant financial investment and volunteering activity reflects that.

What are the challenges and opportunities of relying on the businesses community to fill some of these gaps?

An effective partnership between a business and a school is based on a shared understanding of what each side can offer, and what objectives both the school and the business have for the partnership. Whilst careers inspiration is important, great partnerships can also include support for school leaders, business engagement in the curriculum which supports attainment, and broader community engagement including engaging parents. Businesses often begin with a business case driven by nurturing a future talent pipeline. Equally, an effective schools partnership is invaluable for employee engagement. Long-term, strategic partnerships create the greatest value for both the school and the business, allowing young people access to the greatest possible range of role models.

What is working well, what does a great employer look like?

BITC's Business Class⁸ programme establishes long-term partnerships between schools and employers. Through the careful guidance of our Education Managers, the programme supports both

⁸ BITC, Business Class, <https://www.theguardian.com/media/2003/nov/09/pressandpublishing.themonarchy>

school and business to understand what impact they could have together on the four pillars of our framework: Leadership and Governance; Curriculum; Enterprise and Employability; and Wider Issues. We believe that a great employer is not only willing to enter into this type of partnership but recognises the mutual benefit it supplies.

In order to be at their most inclusive, businesses need to hear from young people. Through our mystery shopper programme⁹, we worked with NEET young people to assess over 200 businesses and draw out what the hidden barriers in the application process were for young people. They identified:

Job websites that were confusing or lacked clarity on where entry level roles were.

Entry level vacancies using unclear job descriptions.

Using overly technical language or jargon.

Job descriptions missing key details about the job such as salary, hours, start date, or location.

Businesses failing to outline the stages of the recruitment process.

Failing to outline the timeframe of the recruitment process.

Asking for previous experience for entry level roles.

When discussing these results with businesses, we discovered that many issues are fairly easy to resolve within the recruitment process. For example, PwC now outlines the stages of the recruitment process in detail at the start to avoid confusion, whilst Asda has consciously shifted its language to be more accessible.

On a wider level, BITC's Good Work for All programme does not focus specifically on young people but its recommendations for employers do answer the question of what a great employer looks like.

A 'good job' offers security, rights and a fair income. It also offers the opportunity for personal development and progression and a supportive and inclusive environment in which all employees can thrive. Our recommendations around pay and benefits, job security and structure and training and development will benefit young people entering employment and increase their chances of sustaining work.

Initiatives like Starbucks' Home Sweet Loans can make a huge difference to younger workers. As an employer of predominantly younger people, Starbucks understands that their employees may often struggle to find affordable housing in the urban setting of their shops. Home Sweet Loan offers an interest-free loan to Starbucks partners working in company-owned stores who have been with the

⁹ BITC, Futureproof, <http://futureproof.bitc.org.uk/latest/get-your-online-job-application-process-mystery-shopped-young-people>

business for six months or more in order to contribute to the costs of a rental deposit when moving home or sub-letting a room¹⁰.

What could be done at a local and national level to support employers?

BITC, backed by City & Guilds Group, ran the two-year FutureProof campaign until February 2018. It aimed to support businesses to remove barriers to employment for young people through resources, case studies and guidance. There was a strong interest from employers – we assessed the recruitment processes of 200 companies and over 6,000 users downloaded our free guide for employers. BITC has made the case for the work and demonstrated the appetite of business to access this type of support: we would urge the government to endorse our findings and support us to continue the programme. We believe that businesses would very much appreciate public recognition of the work businesses are carrying out in this area.

For more information, contact Isabel.wilkinson@bitc.org.uk

¹⁰ BITC, Good Work for All Impact Story, Home Sweet Loans, <https://www.bitc.org.uk/resources-training/resources/impact-stories/good-work-all-how-starbucks-found-simple-way-help-staff>

Careers & Enterprise Company

Introduction:

The Careers & Enterprise Company (CEC) welcomes this inquiry from the APPG for Youth Employment and agrees strongly with its premise that (a) employers should play a pivotal role in 21st century careers support for young people, and that (b) collective effort, nationally and locally, is required to make it easier for employers to engage schools and colleges.

As the CEC's remit is focussed on supporting young people aged 11-18 in secondary education, this submission will in the main focus on the role of employers in supporting careers education within schools and colleges.

Executive Summary:

i. Progress – employers are responding positively and engaging with schools:

Across the gamut of careers support we are seeing improvements. Last summer Ofsted reported¹¹ progress in careers support, in contrast to their well-known and negative 2013 report.¹² A significant breakthrough has been the adoption of the Gatsby Foundation's Benchmarks of good careers guidance¹³, as the gold standard of careers support. These have driven consensus amongst government, education, business and the careers sector about what good looks like.

We are seeing improvements across all aspects of careers education among the one thousand schools and colleges that have assessed themselves twice against the "Gatsby Benchmarks"¹⁴. This includes progress against benchmarks that address encounters with employers and experiences of the workplace.

ii. Strategic coordination is helping galvanise the employer effort:

The inquiry identifies a need to take a strategic view about the 'ask' and direction of employers' efforts to engage the education system. The CEC has been asked to play a key role to offer the backbone support behind strategic coordination of employer's approaches into schools:

The CEC's national Network of 150 dedicated Enterprise Coordinators, co-funded with the Local Enterprise Partnerships (LEPs) has facilitated over 2000 Enterprise Adviser senior business volunteers to work strategically with over 2000 schools and colleges to develop their careers and employer engagement plans. This has enabled:

- A 50% increase in the number of employer encounters reported by schools and colleges in the Network
- A route to market for government backed programmes (e.g. National Apprenticeships Service, JCP School Advisers and the National Careers Service) to make coordinated approaches into schools.

¹¹ Harford, S. Ofsted blog: '[Careers Guidance: developments in education inspection: Building confidence, encouraging aspiration](#)'.

¹² Ofsted, [Going in the right direction? Careers guidance in schools from September 2012](#), (2013)

¹³ Gatsby Charitable Foundation. (2014). Good Career Guidance. London: Gatsby Charitable Foundation.

¹⁴ The Careers & Enterprise Company (2018). *Careers and Enterprise Provision in England's Secondary Schools and Colleges: State of the Nation 2018*. London: The Careers & Enterprise Company.

iii. Greater understanding and channelling of ‘supply’:

The inquiry highlights the need to understand the ask of business and how to manage their efforts and target need. CEC’s Closing the Gap¹⁵ research identifies a volume gap and a distribution issue that holds back coverage for all young people. CEC is taking a lead to make it easier for employers to engage in the following ways:

- 150 Enterprise Coordinators across every LEP area of England
- Over 80 businesses working as Cornerstone Employers to micro-target effort in the areas of greatest need
- An investment fund to scale up many existing, effective careers and enterprise programmes. To date 540,000 young people have been supported through our investment funds
- A careers activity directory digital tool¹⁶ to help employers and careers providers deliver activities with schools and colleges

iv. Greater understanding and management of ‘demand’:

The inquiry highlights the need to support schools and colleges to assess and manage their demand for careers support. The Government’s Careers Strategy¹⁷ closely aligns to this imperative and has prioritised support to schools and colleges to build their efficacy around careers provision.

- The CEC and Gatsby Foundation’s “Compass” Gatsby Benchmark self-assessment tool enables schools and colleges to pinpoint their performance and identify areas for improvement
- CEC’s Tracker¹⁸ is a careers planning tool for schools to record and manage their careers plan for the year
- A significant development has been the embedding of the Careers Leader role and there is now a requirement for each school to name them within the government’s statutory guidance. The Careers Leader role is important because it creates a single and unified point of responsibility and accountability for schools and colleges to create a whole-school approach that is well-coordinated.

This paper goes on to respond to this inquiry in more detail.

- 1. About the Careers & Enterprise Company**
- 2. Responding to the APPG for Youth Employment inquiry questions**
- 3. Further reading**
 - The Careers & Enterprise Company Publications
 - Relevant Media Coverage

¹⁵ The Careers & Enterprise Company. (2018). *Closing the Gap: The Level of Employer Engagement in England’s Schools and Colleges*. London: The Careers & Enterprise Company.

¹⁶ See <https://www.careersandenterprise.co.uk/find-activity-provider> for further information about the Provider Directory.

¹⁷ Department for Education. (2017). Careers Strategy: Making the Most of Everyone’s Skills and Talents. London: The Department for Education.

¹⁸ See <https://tracker.careersandenterprise.co.uk/info> for more information about the Tracker careers planning tool

4. Appendix:

- Key Terms and Definitions
- Employer Advisory Group

1. About the Careers & Enterprise Company

The CEC was established by Government in 2015 to help link schools and colleges to employers, in order to increase employer engagement for young people. During its first three years, The CEC built a network to link schools and colleges to employers and funded employer engagement activities where they were most needed. A growing number of young people have already benefitted from the increasing amount of meaningful employer engagement.

The 2017 government Careers Strategy evolved the role of the CEC to help schools and colleges more broadly deliver world class careers support by:

1. **Building Networks:** Linking schools and colleges to employers and other external careers providers through the Enterprise Adviser Network and Careers Hubs.
2. **Supporting Careers Leaders:** Providing training and support for Careers Leaders in schools and colleges.
3. **Backing the Gatsby Benchmarks:** Supporting implementation of a best practice standard for careers support, the Gatsby Benchmarks, with tools and targeted funding.

2. Responding to the Employer Support for Youth Employment questions

Question 1: What are the 'asks' of government on employers regarding youth employment, are these appropriate, is there a strategic view across government of managing the expectation, supply and demand?

On supporting young people in secondary education to be prepared for the world of work, the 'ask' from Government of employers is outlined in the Careers Strategy and the role it asks the CEC to play in this (2017).¹⁹

1. The need and the 'ask' of employers:

The Careers Strategy and accompanying statutory guidance²⁰ back the Gatsby Benchmarks, setting the aspiration that all schools and colleges work towards meeting them by 2020. Employers are encouraged to help schools across all eight Gatsby Benchmarks – for example, Benchmark 4 is about linking the curriculum to careers. However, the benchmarks that call for specific employer support are Benchmarks 5 and 6:

¹⁹ Department for Education. (2017). Careers Strategy: Making the Most of Everyone's Skills and Talents. London: The Department for Education.

²⁰ Department for Education (2018). Careers Guidance and access for education and training providers: Statutory guidance for governing bodies, school leaders and school staff. London: The Department for Education

Benchmark	Statutory guidance for schools requirements
Benchmark 5: Encounters with Employers and Employees	<ul style="list-style-type: none"> Every year, from the age of 11, pupils should participate in at least one meaningful encounter with an employer.
Benchmark 6: Experiences of workplaces	<ul style="list-style-type: none"> By the age of 16, every pupil should have had at least one experience of a workplace, additional to any part-time jobs they may have. By the age of 18, every pupil should have had one further such experience, additional to any part-time jobs they may have.

At present there is a shortfall in terms of overall volume and a challenge of ‘patchiness’ across the country. The CEC’s *Closing the Gap*²¹ report finds that employers need to offer at least 4 million employer encounters and 1 million workplace experiences every year to meet the standard set out by the benchmarks and endorsed by the Careers Strategy. The CEC have calculated the gap could be bridged by employers if they:

- reached out to one young person a year for every 7 employees;
- provided a workplace experience each year for every 25 employees

To address the challenge of patchiness, we also need better and more deliberate micro-targeting, to ensure that where employers are offering their time, they are offering it in the right place and at the right time.

2. The CEC ‘offer’ and support to employers:

The CEC model works to encourage employer contribution in a strategic and targeted way, with support and a choice of ‘offers’ to employers, dependent on the time and resource they are able to give:

- Providing ‘encounters’ to young people through plugging into the Enterprise Adviser Network:** The Network helps employers direct their efforts to need in schools in their local area. Local Enterprise Coordinators connect businesses with careers leaders and Enterprise Advisers in schools.
- Becoming an Enterprise Adviser:** The Enterprise Adviser role allows employers to provide strategic support to their local school or college to deliver world class careers guidance. Enterprise Advisers undertake strategic planning in a new context, developing skills in communication and strategy development as well as building strong relationships locally. Feedback on the role has been positive with 80% of Enterprise Advisers satisfied with their experience and 81% of Enterprise Advisers recommending the role to others.
- Becoming a Cornerstone Employer:** Cornerstone Employers work together with their networks, the wider business community and the local Enterprise Coordinator or Hub Lead, to ensure all young people in an area have the opportunities they need to be prepared and inspired for the world of work. A Cornerstone Employer can be a large or small business, and a local or national employer, provided they are:

²¹ The Careers & Enterprise Company. (2018). *Closing the Gap*. London: The Careers & Enterprise Company.

1. **Experienced** in engaging with education.
2. **Dedicated** to investing time and resources.
3. **Committed** to working with other Cornerstone Employers.
4. **Willing** to galvanise their business networks.
5. **Focused** on sustainability and act as an ambassador.

Cornerstones include national employers such as PwC, KPMG, EDF and Rolls Royce as well as smaller employers such as John Grose car dealership in Ipswich, Jerwood Gallery in Hastings and Askew Brook Web Design in Scarborough

3. The CEC support employers on these ‘asks’ in the following ways:

- **Providing resources and best practice guidance:** The CEC produced joint guidance with the CBI to help business engage with schools as effectively as possible, offering practical tips, lessons learnt from employer experience and research case studies.²² The CEC has also produced an array of resources as part of the ‘Give an Hour’²³ campaign which encourages SMEs to engage with education and signposts them to best practice guidance on how to get involved.
- **Digital resources:** The CEC’s Provider Directory allows employers to discover high-quality careers programmes to partner with in their area.²⁴ The CEC is also exploring additional ways it can support employers digitally to find activities that schools and colleges want to undertake and offer their support.
- **Coordinating with existing Government programmes:** The CEC engages with other delivery partners that make asks of employers for young people through our network including ASK, JCP and NCS. For example, our Enterprise Coordinators work with the JCP schools programme to facilitate coordinated access into schools and certain work advisors are co-located within the local Enterprise Adviser Network team.

Question 2: Are schools, colleges and youth organisations able to manage the supply and demand needs they have?

Historically, many schools and colleges have struggled to understand and manage their supply and demand needs, but we are seeing this change:

1. Better understanding of what ‘good’ looks like through the Gatsby Benchmarks

The Gatsby Benchmarks have been adopted in the Government’s Careers Strategy and have been received well by schools and colleges; over 3500 are voluntarily using the CEC’s Compass tool to diagnose their performance. The benchmarks have offered a way to achieve consensus amongst

²² The Careers & Enterprise Company and the Confederation of British Industry. (2017). *How to support careers and enterprise activities in schools: A practical guide for employers*. London: The Careers & Enterprise Company.

²³ See <https://giveanhour.co.uk/> for further information about the ‘Give an Hour’ campaign

²⁴ See <https://www.careersandenterprise.co.uk/find-activity-provider> for further information about the Provider Directory.

education about what ‘good’ looks like, how to understand their needs and what to ‘ask’ employers for.

2. Prioritising Careers support and Employer engagement through the Careers Leader Role

The Careers Strategy and Statutory Guidance has embedded the Careers Leader role as a senior position in schools and colleges. This is significant because it creates a single and unified point of responsibility for schools and colleges to create a whole-school approach to managing supply and demand needs more effectively, supported by the infrastructure the Network brings.

Schools and colleges responded very positively to the creation of the Careers Leader role outlined in the Careers Strategy with there being far more demand than the 500 training bursaries initially made available from Government. The appetite from schools was responded to with Government granting additional funds to enable the CEC to offer 1400 training bursaries to meet the extra demand.

Question 3: What are the challenges and opportunities of relying on the businesses community to fill some of these gaps?

The opportunity is that there is an abundance of goodwill and energy from employers which can be transformative for young people. The challenge is firstly channelling and targeting this energy strategically and secondly addressing the deterrents for business through the right support, offers and structure.

1. Challenges for the business community:

Businesses can become overwhelmed by various asks:

We know that businesses are instinctively keen to support young people – they tell us this is both because they understand the importance of engaging the future workforce and talent pipeline but also because they believe it is simply the ‘right thing to do’. The deterrent can be not knowing where to best direct their time and effort given the many asks when it comes to young people (supporting young people in education at primary and secondary level, supporting young people who have fallen out of education, supporting young people who are over 18 but unemployed etc.). Some employers can find it challenging to understand how all the various asks fit together and where to place efforts.

Businesses are not always sure ‘how’ to help

It can be unclear what the ‘ask’ of an employer is and a deterrent can be the perceived time or resource commitment. In addition, it can be hard to know ‘how’ to engage young people (i.e. directly with schools, through a provider, a youth club or government scheme)

The CEC addresses these challenges and supports employers in the following ways:

- Giving employers a choice of clear ‘offers’ to suit the time commitment they are able to give
- Providing a supportive structure through the Network in addition to resources and guidance
- Providing a coordinating brokerage function through the Network (the Network works with providers and other government programmes/ agencies such as the JCP Schools Programme and the ESFA’s Apprenticeship Support and Knowledge partners)

- Working with key business and membership bodies such as the CBI, BCC and FSB to ensure the 'ask' to businesses is communicated effectively.

2. Opportunities of working with the business community:

Working with the business community means you can grow support at pace

Having a clear and effective offer for businesses can build support quickly and can galvanise others. For example, the clear structure and offer of the Enterprise Adviser role helped to ensure the Network grew at pace to reach over 2,000 senior business volunteers.

Likelihood that employers will continue to support and invest in a sustainable way if the offer is right

A clear offer, with the right support and clear aims and intended outcomes can secure significant employer commitment. For example, evaluation of the Enterprise Adviser Network has shown high levels of satisfaction amongst employers with clear intentions to continue:

- 80% of Enterprise Advisers said they were satisfied in their role
- 81% of Enterprise Advisers would recommend the role
- 86% of Enterprise Advisers would continue with the role²⁵

Question 4: What is working well, what does a great employer look like?

The CEC work with many fantastic and committed employers and cites the following common features:

- They view employer engagement with schools as a key responsibility and they build this ethos into their culture
- They set an example to other local businesses, helping to galvanise and grow business engagement
- They encourage their employees to take up school engagement as part of a company's volunteering offer to staff
- They ensure encounters and experiences for young people with the world of work are meaningful
- They maintain forward thinking, youth friendly recruitment practices, embedding these at every level

3. Further Reading:

The Careers & Enterprise Company Publications:

1. [Closing the Gap: The Level of Employer Engagement in England's Schools and Colleges \(2018\)](#)

²⁵ Pye Taits. (2017). *Fuelling Young People's Futures: An Evaluation of The Enterprise Adviser Network*. London: The Careers & Enterprise Company

This report explores the current level of employer engagement in education in England and compares this with the ambitions set out in the government's Careers Strategy. The analysis reveals that there is a need to substantially increase the level of employer engagement in English secondary schools and colleges and points to where the shortfalls are most acute.

2. State of the Nation 2017 Careers and enterprise provision in England's schools

This report provides the most comprehensive picture of schools' careers and enterprise provision ever collected - describing the careers and enterprise provision in secondary schools in England in the 2016/17 academic year.

3. Understanding the careers cold spots: The Careers & Enterprise Company prioritisation indicators 2016

This analysis allows The Careers & Enterprise Company to understand where more career support is needed and to direct our resources towards these areas. We hope that this analysis will also guide the activities of others working in this space.

4. Updating the careers Cold Spots Updating The Careers & Enterprise Company prioritisation indicators (2018)

This analysis updates the Cold Spots report to help us to understand where young people are most in need of careers support

Recent relevant media coverage:

5. Careers links between schools and employers below target (*Financial Times*)

Projections by the Careers & Enterprise Company, which was set up by the government in 2014 to strengthen students' transition to working life, show that about 3.3m work experience placements, workplace visits and presentations by employers are being offered each year to children — far fewer than the 5m necessary to meet official targets for each child to have seven "encounters" during their schooling.

6. Meet the corporate leader determined to transform careers advice (*Tes*)

Careers and Enterprise Company chair Christine Hodgson is on a mission to improve young people's life chances

7. The companies working to bring youngsters in from the cold (*The Guardian*)

Christine Hodgson, chair of the Careers and Enterprise Company on how to improve young people's access to work in areas with few big employers

8. Hallelujah (*Tes*)

The city of Hull includes some of the most deprived wards in the country and sits towards the bottom of the table for school results. But it is one of the top two areas nationally for careers advice. So, what is the secret of its success in careers provision?

9. The school giving pupils stolen bikes (*SchoolsWeek*)

When Churchill Community College brought in three local employers to talk about career

opportunities, some of the “most disaffected” boys thought they were lying, says David Baldwin, executive head of Churchill and Norham High School in Tyneside.

4. Appendix 1: Key Terms

- ***The Enterprise Adviser Network***

The Network connects schools and colleges with employers and careers programmes to provide high impact careers support for young people. Across England are localised networks of approximately 20 schools/colleges managed by an Enterprise Coordinator who supports schools to build careers plans, make connections to employers and benchmark their careers provision. The CEC co-funds Enterprise Coordinators with LEPs and local authorities.

Enterprise Coordinators support a group of senior business volunteers, known as Enterprise Advisers, who are matched with a school/college in the network. Enterprise Advisers use their knowledge of the local business landscape to challenge and support the school to develop a strategic careers plan that offers students tailored and targeted access to the world of work throughout their time at school. 94% of schools and colleges have said they would recommend the Network.

- ***Enterprise Coordinators***

Enterprise Coordinators are professionals who oversee a group of senior business volunteers, known as Enterprise Advisers. They recruit and match Enterprise Advisers with a school or colleges in the Network and support them to deliver careers and employer engagement plans. We co-fund the Enterprise Coordinator role with Local Enterprise Partnerships and Combined Authorities

- ***Enterprise Advisers***

Enterprise Advisers are volunteers who use their knowledge of the local business landscape to support a school or college to develop an effective careers plan. EAs also use their business networks to help their school or college engage with local employers and increase employer engagement for students.

- ***Cornerstone Employers***

Cornerstone Employers are businesses invested in the successful and sustainable delivery of careers education for young people and commit to join a leadership group of local businesses to support schools, colleges and young people in their area.

- ***Compass***

Compass is a free tool for schools and colleges in England, that quickly and easily helps you to evaluate your careers activity against the eight benchmarks of best practice – known as the Gatsby Benchmarks.

The tool was built in partnership with the Gatsby Charitable Foundation, to help you easily discover your strengths and find areas for improvement. Once completed, the tool will provide you with a confidential report and resources to help you achieve each benchmark.

- ***Employer Encounter***

An “employer encounter”, in the terminology of Gatsby Benchmarks, is an opportunity to learn from employers about work, employment and the skills that are valued in the workplace. This can be through a range of enrichment

activities including visiting speakers, mentoring and enterprise schemes.

- ***The Gatsby Benchmarks***

A strong evidence-based consensus has emerged around the overall approach that schools and colleges should be using to support young people in their careers; the Gatsby Benchmarks. This is based on an international project conducted by the Gatsby Charitable Foundation in 2014.²⁶ The Benchmarks set out eight areas that all schools and colleges should be focusing on to deliver high-quality careers education and is promoted by the Department for Education and the CEC.

Description of the Gatsby Benchmarks:

1. A stable careers programme	Every school and college should have an embedded programme of career education and guidance that is known and understood by students, parents, teachers, governors and employers.
2.Learning from career and labour market information	Every student, and their parents, should have access to good quality information about future study options and labour market opportunities. They will need the support of an informed adviser to make best use of available information.
3.Addressing the needs of each student	Students have different career guidance needs at different stages. Opportunities for advice and support need to be tailored to the needs of each student. A school's careers programme should embed equality and diversity considerations throughout.
4.Linking curriculum learning to careers	All teachers should link curriculum learning with careers. STEM subject teachers should highlight the relevance of STEM subjects for a wide range of future career paths.
5.Encounters with employers and employees	Every student should have multiple opportunities to learn from employers about work, employment and the skills that are valued in the workplace. This can be through a range of enrichment activities including visiting speakers, mentoring and enterprise schemes.
6.Experiences of workplaces	Every student should have first-hand experiences of the workplace through work visits, work shadowing and/or work experience to help their exploration of career opportunities, and expand their networks.
7.Encounters with further and higher education	All students should understand the full range of learning opportunities that are available to them. This includes both academic and vocational routes and learning in schools, colleges, universities and in the workplace.
8.Personal guidance	Every student should have opportunities for guidance interviews with a career adviser, who could be internal (a member of school staff) or external, provided they are trained to an appropriate level. These should be available whenever significant study or career choices are being made.

Appendix 2: Advisory Groups – Employer and Enterprise Adviser

Employer Advisory Group:

Name	Title	Organisation
Kathryn Taylor	Skills to Succeed Academy Manager	Accenture
Melanie Hayes	Director of Talent Management	Adecco
John Park	Public Policy, UK & Ireland	Amazon
Claire Bennison	Regional Head of Marketing	Association of Chartered Certified Accountants
Richard Hamer	Education Director & Head of Early Career Programmes	BAE Systems
Kirstie Mackey	Director of Lifeskills	Barclays
Claire Paul	Head of New Talent	BBC
Rachael Saunders	Education Director	BITC
Jane Gratton	Head of Business Environment and Skills Policy	British Chambers of Commerce (BCC)
Jo Osborne	Tech Literacy Lead	British Telecom
Leanne Wood	Chief People, Strategy and Corporate Affairs Officer	Burberry
Michelle Perkins	Director of Schools Outreach	Capgemini
Jim Carrick-Birtwell	CEO	Changeboard
Katerina Rüdiger	Chief Community Officer	Chartered Institute of Personnel and Development
Greg Hobbs	Deputy Director, Fast Stream & Early Talent	Civil Service
John Cope	Head of Education & Skills	Confederation of British Industry
Tom Thayer	Education & Skills Manager	EDF
Jane Walton	Social Entrepreneur	Federation Of Small Businesses
Craig Hall	CSR	Fujitsu
Ben Carpenter	Lead, EMEA Intern Programs	Google
Kate Myers	Head of Skills	High Speed 2
Kay Harriman	HR Director	Hilton
Kate Burnett	Head of Employability (including Creative Digital Academy)	Institute of Direct and Digital Marketing (IDM)

Seamus Nevin	Head of Employment and Skills Policy	Institute of Directors
Stephen Isherwood	CEO	Institute of Student Employers
Lisa Sanders	Head of Media and PR	Kier Construction
Roisin Murphy	Director, Head of Corporate Responsibility	KPMG
David Rowsell	Head of Education and Employability Programmes at Lloyds	Lloyds Bank
Dominic Gill	Apprenticeship Lead - Business Consultant to Microsoft UK	Microsoft
Katie Adams	National Senior Programme Manager, Widening Participation, Health Education England	National Health Service
Stephen Hogan	Social Mobility	PwC
Paul Broadhead	Head of Community, Investment and Outreach	Rolls Royce
William Dole	Group Captain	Royal Air Force
Nicole Morgan	Director of Education	Royal Society of Chemistry
Jo Drewitt	Apprenticeships, Graduates, Traineeships and Internships	Tesco
John Guthrie	Employment Policy Adviser	UK Hospitality

Enterprise Adviser Advisory Group:

Enterprise Adviser	Employer
Adeana Raper	Henry Boot Construction Limited
Aidan Murphy	Aspire Defence Services Limited
Andrew Bailey	GCHQ
Anna McLaren	Skills for Care
Ben Churchill	KPMG
Ben Miller	ProcessFlows Konica Minolta
Caroline Jones	SYLO Associates
Catherine Boland	Founders 4 Schools
Catherine Hall	Catherine Hall Consulting
Charlotte Haynes	CIPD
Chris Meyer	Singleton Birch

Dan Lamoon	Colab Creation
Eileen Gallagher	Westminster Council
Elaine Browne	Self-employed/aligned to UWE (projects)
Gareth Johns	Business Computer Solutions Ltd
Gill Douglas	Retired
Greg Kirkman	Ensafe Consultants
Ian Leak	Equiniti
Jackie Towndrow	Blue Arrow
Jake McClure	City + Guilds
Janine Osmond	Launchfirst
Jennifer Appleton	ISO Quality Services
Jim Doran	DSW Consultancy
Jo Fellows	Devon County Council
Jonathan Tole	Jonathan Tole Consultancy/Soil for life
Josie Armitage	UKES
Julie Joyce	HR Director - Organisational Capability
Karen Marshall	Accenture
Kathryn Porter	Hilton Hotel Group
Kelly Williams	Davies Group
Ken Sankey	Ken Sankey Associates
Kevin Hutchinson	Balfour Beatty
Kimberley McGinty	VGC Group
Klaus Allion	ANT Telecommunications LTD
Leah De Silva	CIPD
Lesley Strachan	Independent
Louise Beards	Wesleyan
Luke Richardson	Wood Plc
Martin Hinchie	Childcared business
Michelle Richardson	Property Alliance Group
Mike Godfrey	Business West

Myles Mayne	Professional coaching Alliance
Neil Lloyd	FBC Manby Bowdler
Olga Jadinskaja	CIPD
Patricia Hicks	CITB
Paul Anslow	Triangle communication
Philippa Bogle	The Bogle Consultancy
Rebecca Warwick	MCS Corporate Ltd
Richard Hales	Charles Peters Ltd
Rob Coltman	Ramada Encore Leicester
Rob Macnaught	RB Healthcare UK
Robert Burns	Capgemini
Robert Dawson	Unilever
Roger Wilson	Roger J Wilson Associates Ltd
Rosanna Giarraputo	The Bell Group
Ruth Broome	HR Consultant
Ruth Devine	SJD Electrical
Sarah Driver	Independent
Sarah Hathaway	Institute of Student Employers
Sophie Willmott	Mott Macdonald Engineers
Stephanie Edge	Home Office
Steve Baldry	Marshall Tufflex
Stuart Langworthy	SL Consulting
Tony Dillon	Tony Dillon
Tracey Dawson	Daletec

EngineeringUK

- EngineeringUK is a not-for-profit organisation, which works in partnership with the engineering community to inspire tomorrow's engineers and increase the talent pipeline into engineering. Engineering is at the heart of the UK's economic success: it generates 23% of UK turnover, employs 5.6 million people and produces the majority of the nation's exports. Yet engineering skills remain in short supply, with almost half of engineering employers reporting recruitment difficulties and the shortfall of engineering graduates and technicians estimated at as much as 59,000 annually.
- At EngineeringUK our ambition is to address this challenge. We aim to inspire, engage and inform the next generation of engineers via programmes designed to excite young people about the variety and opportunity presented by a career in modern engineering and give them the chance to meet people already working as engineers. Through our programmes **Tomorrow's Engineers** and **Big Bang** we're showing young people from all backgrounds how their studies could lead to a rewarding career as an engineer.

Careers provision including encounters with employers

EngineeringUK believes that giving young people access to effective and impartial careers education, information, advice and guidance (CEIAG) can play an important role in getting to grips with the engineering skills gap in the UK. Not only can good careers provision help people to navigate the various educational routes into engineering but it can also be a key driver for social change – potentially opening up engineering career opportunities for more girls and those from disadvantaged backgrounds.

If modern engineering is to continue to provide its enormous economic and social contributions to the UK, it is critical that we work together to address the STEM skills shortage. Evidence suggests that at least part of the solution can be found in high quality careers provision, including STEM encounters with employers. Providing engineering-focused engagement activities can help to ensure young people experience real life applications of engineering and are well-informed about the many doors they can open through their subject choices.

What are the government 'asks'?

The current list of asks from government include employer encounter targets within the Careers Strategy, Industry Placements for T Levels and engagements with schools and colleges to help increase the number of apprenticeship starts. Planning and running engagement activities can be resource intensive both for schools and employers. Many organisations find navigating a complex STEM landscape locally a real challenge and more needs to be done to help employers target their activities effectively, especially when they are inundated with requests for engagements.

Too many initiatives

With the myriad of STEM engagement initiatives on offer it is no surprise that schools often struggle to identify which are most appropriate and impactful. It is critical that the engineering and STEM outreach communities work together to inform schools of the high-quality engagement opportunities available to them and help foster stronger connections with employers. The re-

positioning of the Tomorrow's Engineers programme as the go to place for such activity, designed with the needs of teachers and their pupils at its heart, will address this and we encourage the whole community to get behind this work. We also urge the government to take steps through the Careers Strategy to encourage and support schools to engage in employer outreach activity, especially with engineering and technology companies.

Gender

Evidence suggests that there is more work to be done in informing young people, especially girls, about what a career in engineering can entail. Our Engineering Brand Monitor research indicates that at every age, boys are far more likely to consider a career in engineering than girls. Evidence from the ASPIRES project supports this, indicating that young people's views of what engineering jobs actually entail do not match with the reality.

Understanding what works

To make best use of our resources as a community and tackle the skills shortage more effectively, we must assess whether these policies and STEM engagement initiatives are having their intended effect, and better support schools to differentiate between the many opportunities on offer.

Too little understanding of apprenticeships

Ensuring access to and take-up of high quality apprenticeships is critical for engineering yet there is concern that the introduction of the apprenticeship levy may result in a compromise in quality and lead employers to repackage existing training to drive re-skilling of their current workforce, contrary to the intention of the levy. Furthermore, there is a clear need to increase awareness and perceptions of apprenticeships as a worthy alternative to a university education. The majority (58%) of 11 to 14 year olds surveyed as part of the Engineering Brand Monitor 2017 indicated they knew almost nothing or just a little about what apprentices do and the different types of apprenticeships available— and just over a third felt an apprenticeship was a desirable pathway. Understanding was similarly low among parents surveyed, with 46% indicating little knowledge of what apprentices do.

Employer "clusters"

At a meeting of EngineeringUK's Business and Industry Panel to discuss social mobility, participants had some particular concerns about the 45 day Industry placement component that is set to make up a significant element of the soon to be introduced T-Levels. In particular, there was some discussion about the nature of some engineering and digital businesses which tend to cluster in particular areas, as compared with for example childcare or retail which are more widely spread out across the country. For a young person living in an area not close to engineering businesses but wishing to pursue a career in engineering, there was a hope that Government would come up with a mechanism to support young people to travel to take up a T-Level placement in an industry of their choosing.

Employer choice

The Government's approach to developing the skills that young people need to go on to employment requires significant input from those employers. However, the majority of their inputs, aside from the statutory apprenticeships levy imposed on large employers with a wagebill of over £3million, require an element of goodwill and buy-in from employers. At our Business and industry meeting there were fears from some that when times are tough and corporate social responsibility

budgets are cut, the success of employer's educational outreach programmes may be jeopardised. Those round the table saw a role for their Levy spend in supporting the work. This call for greater flexibility of levy spending was illustrated by one business suggesting that offering 100 T-Level Placements equated to 60 fewer apprentices, given the capacity of the business to manage and supervise them. There are particular challenges of hosting placements in safety critical or consultancy businesses.

The recent review of Engineering Skills for the Future by Professor John Perkins recommends that *"Recommendation 11 - Current conditions on employer spending on their Apprenticeship Levy contributions are highly restrictive. Government should give employers greater flexibility on their skills spending to include funds to support other forms of high quality training provision."*²⁷

Conclusion

Many employers passionately believe in and invest in upskilling the future workforce. However, to ensure that all young people have access to knowledge about the broad range of careers available to them and access to experience of those careers, Government must ensure employers are bought-in to the plans that rely on their support. The announcement that changes to the Apprenticeship Levy from 2020 would be considered was welcome. Government must ensure that there are adequate opportunities to listen to employers and the engineering community's calls for greater flexibility through that consultation process.

²⁷ <https://www.raeng.org.uk/publications/reports/engineering-skills-for-the-future>

Movement to Work

Movement to Work (MtW) is a registered charity and a voluntary coalition of Britain's leading employers, backed by the TUC, CBI and UK Government. We are committed to providing high-quality work placements and other workplace opportunities for young people aged 16-30 who are not in education, employment or training (NEET). We particularly seek to help those who need extra support to get on the career ladder.

Over 100 UK employers are signed up to MtW, including the Civil Service and the NHS; FTSE 100 companies such as Accenture, BT, Centrica, HSBC, IBM, M&S & Unilever and numerous SMEs.

Together, our members have delivered over 80,000 work placements over the last five years. Of those completing placements, over 50% have achieved a 'positive outcome' by going directly into employment, further education or training.

While the UK's overall unemployment rate is at its lowest level in decades, the number of young people who are NEET remains stubbornly high, particularly in deprived areas of the UK. This is a significant economic and social issue for the UK. We believe that well-resourced work-placement programmes, apprenticeships and other training opportunities have an important role to play in tackling youth unemployment.

Movement to Work CEO Summit

At our recent CEO Summit (February 2019) MtW hosted discussions between chief executives and other leaders of some of the UK's largest organisations, youth outreach partners and young people who had gone through employability schemes found through Movement to Work. The aim of the discussions was primarily to explore the issues facing young people who need extra support to get on the career ladder. Though we were already aware of many of the issues, much of the evidence below is from these recent discussions

Inquiry questions

What are the asks of government on employers regarding youth employment, are these appropriate, is there a strategic view across government of managing the expectation, supply and demand?

1. The Government's main policy in this area is largely based around T-levels and apprenticeships, designed to give more young people the specific skills needed for work. The Government asks employers help design T-levels and apprenticeships.
2. There are a number of other programmes for which the Government seeks employer support, aimed at upskilling young people and bringing them closer to the jobs market. Sector-based work academies is one example, and the new Mentoring Circles programme.
3. Youth provision is split across many Government departments with DfE, DCMS, DWP, Cabinet Office all playing a role – this leads to many complex asks of organisations. If the resources were pooled and focused the impact would be much greater
4. Although the Government could do more, it does support Movement to Work. What we believe to be vital is a centralised system where placements, apprenticeships and other opportunities could be classified and advertised. By way of example, Movement to Work operates such a system, our talent portal, but the Government needs to invest on a much

larger scale in a portal like this to support employers looking for young people and the young people themselves looking for jobs.

5. There should be a systemic and joined-up approach to supporting young people who are NEET, with strong regional plans to address more local issues, such as a lack of industry; it is really important to have tailored approaches to different regions. We do not believe that Government departments, regional or local government are joined up on the issue of addressing youth unemployment.

Are schools, colleges and youth organisations able to manage the supply and demand needs they have?

6. According to West Midlands Combined Authority (WMCA), there are over 16,000 'open and available' apprenticeships in the region that it cannot fill and 14,000 young people who are NEET. WMCA is not short on funding, it is short on coordination and alignment, and this is a situation that is repeated across the UK. Also, there are 350 youth organisations in WMCA but some of them only look after one person. There is a lack of direction from regional government and no central facility for youth outreach organisations to register young people looking for opportunities.
7. Employers constantly tell us that there is a lack of a mechanism to find young people looking for jobs. They also talk about the difficulty they have in trying to engage with schools in order to describe potential careers. Some young people find out about employment support opportunities through Job Centres but many don't attend these, some because of a negative stigma around Job Centre attendance.
8. Movement to Work knows that there is a deep concern over the ability of schools to provide careers guidance, and this has been the case for many years: careers guidance at schools is not working and hasn't worked for many years. Young people at our CEO Summit demonstrated again that many young people are not engaged in career paths that don't depend on the academic route. There is a lack of funding and resources, so schools remain unfit to provide employment advice, and match young people to local vocational roles and apprenticeships. Until this is recognised and addressed the situation will not improve.

What are the challenges and opportunities of relying on the business community to fill some of these gaps?

9. As a collective of socially responsible employers, Movement to Work can say that the first challenge is convincing more organisations to offer work placements and other job opportunities to young people that need more support to take up meaningful careers.
10. Clearly some will not see this as a business imperative, they will not see the 'RoI'. However, MtW's principal messaging to address this challenge is around how organisations can gain opportunities:
 - giving young people a chance enables them to address skills shortages which are otherwise likely to increase over the next few years
 - young people recruited in this way are more loyal, turnover of staff is lower
 - cost of recruitment is lower

- giving young people a chance in this way improves morale in current workforces, particularly amongst those who mentor young people.
11. MtW also states clearly the benefits and opportunities for society and the young people themselves when they find meaningful work. The programmes delivered by MtW and its employer members have equated to an economic value to the UK of over £1bn²⁸ over the five-year period, with young people moving into employment no longer claiming benefits, paying tax and spending their pay.
 12. Another challenge is funding for youth outreach organisations. This has fallen in recent years so not only is there a lack of help for young people with a range of issues including poverty, lack of networks for guidance, lack of qualifications, addiction, mental-health issues and disabilities, amongst others, it is these organisations that help to find suitable young people for placements in businesses and other organisations. So even when some employers make the decision to give young people a chance who have not had one before, these young people cannot be found easily.
 13. Size of organisation is important too, with some smaller businesses considering that they are not big enough to do this. This can be addressed by larger organisations placing young people in supply chain organisations but providing formal training through their own, larger facilities.

What is working well, what does a great employer look like?

14. MtW's overall model, where employers sign up to offer placements and other job opportunities that can lead to meaningful careers is working well and demonstrates what 'great employers' do. MtW's employer members, including FTSE 100 companies and SMEs, have delivered 80,000 work placements over the last five years, for young people who are not in education, employment or training. The 80,000 work placements have been made possible by employers, charities and Government working together through MtW. Collectively they have provided young people with diverse and empowering experiences ranging from hospitality to engineering.
15. The placement programmes lead to tangible results for young people with more than 50 per cent of those finishing placements going back into employment or back to education
16. Great employers look like those signed up Movement to Work, who recognise the value to young people of building meaningful careers, the societal value of more people being in work and the benefit to their own businesses. They:
 - commit to a sustained plan of work placements or entry level jobs
 - offer placements and/or direct entry positions at a scale that is significant to their entry-level recruitment

²⁸ Since 2013 80,000 placements have been delivered, with over 50% of those completing placements going onto employment or education. The figure illustrates the cumulative impact of those obtaining work, multiplied by the cost saving to the Government and benefit to the economy (using research from the Joseph Rowntree Foundation, based on the living wage and also assuming a conservative 90% retention rate year on year).

- provide placements that last approximately 2-4 weeks combining vocational training, employability skills and work experience
- wherever possible, link placements to jobs, including apprenticeships, in order to meet Movement to Work's aspiration to support 50% of the young people trained into employment, including apprenticeships, further study or training
- offer a fair wage to all employees
- comply with applicable UK workplace legislation and ensure safeguarding
- have a clear plan on driving diversity and social mobility
- drive upward mobility within your organisation
- participate in sharing and learning across the MtW network, by participating in our forums for best practice and commitment to advertising placements on our talent platform
- share and promote their membership and act as an ambassador to other employers
- cascade their commitment via supply chains and business networks, where possible, to create a multiplier effect, encompassing employers large and small across the UK.

What could be done at a local and national level to support employers?

17. The Levy in its current form is not working effectively, particularly for SMEs, it needs a fundamental review. There is concern that lack of clarity in the current levy system is holding back apprenticeships and consequently numbers are down. There are examples where the apprenticeship levy has funded MBAs, the subject of a story in *The Economist*, which was not the intention of the Levy. The Levy should be focussed on the system failure at level 2 and 3 apprenticeships, with employers given back some of the levy pot to focus on upskilling current employees. There is also a need for more funding for to support those into apprenticeships who aren't ready for immediate entry.
18. A joined-up system for youth outreach organisations would be extremely valuable too. Employers are telling Movement to Work that even when they want to offer opportunities to young people, including those deeper in the labour market, they can't find them.

We would be pleased to provide further information:

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National Youth Agency

Context

Young people consistently tell us that the following areas are most important areas to them in building the necessary foundations for their future:²⁹

- To have appropriate skills and qualifications.
- Financial and practical support.
- To have quality personal connections for advice, guidance and support.

And that, a lack of jobs is one of the biggest challenges they face.³⁰

However, the term ‘skill’ is often used without a formal definition,³¹ despite various broad definitions which are centred around the ability to complete a task, especially within working environments.³² We use this definition here, with qualifications considered as certified indicators that a particular level of skill has been attained. Employment is, in this light, understood as being reliant on attaining a certain level of technical skill, or of a candidate possessing an aptitude that shows promise of attaining that level through training and experience.

Importantly, employers often also look for so-called ‘softer skills [which are] important in turning these technical skills into economically productive ones’,³³ and are more suited towards ‘managerial, professional and associate professional jobs’ associated with higher wage gains.³⁴

In short, there is an outcomes premium that is mostly reliant on gaining a degree level qualification or higher, alongside ‘people-skills’.

Popular discourse stresses that ‘appropriate’ qualifications are those of an academic nature, especially at degree level, and does not attend as well to ‘soft-skills’. We wish to address this omission here as this wider skill base is not just necessary in the present context; but it could help further safeguard against expected changes in the labour market in the future as it is expected that automotive processes will be least able to replicate these interpersonal and social skills.³⁵

It is our firm belief that non-formal education, such as provided by youth work, is the most effective way to build these skills of personal and social development, and therefore it is necessary to increase the focus upon activities that provide young people with those skills when addressing youth unemployment.

The need for greater attention to this skill base is increasingly important as young people are now more unlikely to participate in higher education, especially those whose families have lower levels of

²⁹ The Health Foundation, *Listening to Our Future* (2018). YMCA, *A World of Good: The Challenge of Being Young in Modern Britain 2016* (2016). NCS, *Welcome to Our World: Life as a Teen in 2017* (2017).

³⁰ See, I. Wybron et. al., *Next Generation UK* (British Council : 2017). And; Prince’s Trust, *Youth Index 2018* (2018). Also, *A World of Good*.

³¹ For example, there is no definition in; DBIS & DfE, *Post-16 Skills Plan and Independent Report on Technical Education* (2016)

³² Government Office for Science, *The UK’s Skill System: Training, Employability and Gaps in Provision* (2016), p. 5.

³³ *Extent, Nature and Impact of Skills Mismatches*, p. 77. Also; The Sutton Trust, *Life Lessons: Improving essential life skills for young people* (2017). Also; CBI/Pearson Education and Skills Survey, *Helping the UK Thrive* (2017). Also

³⁴ *The UK’s Skill System*, p. 5.

³⁵ Houses of Parliament, *POSTNOTE 534: Automation and The Workforce* (2016), p. 3.

income,³⁶ and the percentage of graduates working in non-graduate roles has increased from 41% in 2002 to 49 % by 2017.³⁷

Alongside this, England also has a pronounced skill shortage in technical and vocational trades; meaning there are skills mismatches across the spectrum and at either end of the academic and vocational pathways, with increasing amounts of graduates unable to compete in the graduate market, as the qualifications and experience needed for top-level management rises, and thus have to gain employment at other ‘lower’ levels, in a ‘top-down squeeze’ on the market. From the ‘bottom-up’, there are chronic shortages and mismatches in many technical and skilled trades.³⁸

The employment of EU workers and an increased attention on apprenticeships have helped overcome these ‘bottom-up’ shortages somewhat, but given the current political climate and uncertainty of Brexit the need to ensure young people have means and opportunity of access to the labour market is even more great.

Consequently, there is a clear and distinct need to not only further broaden the skills base of the local population away from just degree-level academic qualifications towards more technical skills bases, (it is too early to assess the effect the introduction of T-Levels may have in this regard, and ‘skills-schools’ have not been a success), but also to provide holistic personal-development and non-formal education skills such as provided through youth work, social action and other related activities.

Lastly, there is also evidence that there is a lack of specific employment-related skills amongst young people, including in support for interview skills, gaining work experience, and careers education;³⁹ and in further ongoing employment support such as in financial education and career development. This is also an area of need.

We also consider whether the existing systems, such as Job Centres, are appropriate for those young people who are unemployed; as young people are the most likely to be out of work, with roughly 1m claiming support or ‘hidden’ from official statistics. This ‘million’, who are furthest away from the labour market need more specialist and tailored services.⁴⁰

What are the asks of government on employers regarding youth employment, are these appropriate, is there a strategic view across government of managing the expectation, supply and demand?

There is a sense that once a young person has left formal education they are open to the ‘labour market’, and many young people are able to navigate this with success.

³⁶ The Sutton Trust, *Inspirations Polling* (2017). Available at; <https://www.suttontrust.com/research-paper/aspirations-polling-2017-university-fees-debt-attitudes/>

³⁷ ONS, *Graduates in the Labour Market* (2017). Available at; <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/graduatesintheuklabourmarket/2017>

³⁸ See D f BIS, *Research to Understand the Extent, Nature and Impact of Skills Mismatches in the Economy* (2016), esp. pp. 35 – 28.

³⁹ Youth Employment UK, *Youth Voice Census Report 2018* (2018).

⁴⁰ London Youth, *Hidden in Plain Sight* (2018).

However, there are wider problems in the labour market for young people which need greater central attention as many employers have poor practices where young people are concerned – just getting employed should not be viewed as the ‘end’, for example:

- 28% of young people feel trapped in jobs they don’t want, being concerned that just having a job is more important than having a career plan.⁴¹
- Young workers aged 18 – 25 are more than three times more likely to have their working hours changed at short notice compared to those aged 36 – 65.⁴²
- There is clear evidence that there are regular practices of offering younger people positions that compromise conditions of: under-employment (via part-time or ‘flexible’ contracts), over-qualification relative to responsibility and skill levels, and low pay.⁴³
- Young people are commuting longer distances than previous generations to secure work.⁴⁴

For those who struggle to even get into the market, there are some governmental schemes but the strategic view embedded in these is not youth-centred, and does not provide sufficiently tailored advice, or fully recognise the localised nature of some labour markets.⁴⁵

For example; the ‘Youth Obligation’ suffers from mass confusion in its implementation across different Job Centres, typified by a lack of knowledge of the scheme, no formal recording of completion rates for those on the scheme, the implementation of the scheme not being uniform, and that the scheme is not well suited to those who need tailored support.⁴⁶ Furthermore, Job Centre staff are generally not skilled at working with young people and the environments are not conducive to this;⁴⁷ there is, therefore, an opportunity to engage a youth worker approach here focussing on emotional, personal and social development in a more individually tailored employment focussed approach.

Similarly, there are concerns surrounding the quality and accessibility of apprenticeships for younger people as ‘more experienced and older workers are increasingly becoming the focus of apprenticeship programmes, at the expense of less experienced and younger employees’, just 12% of higher-level apprenticeships in 2016-17 went to those aged under 19, with an increasing proliferation of low-skilled and short-term training courses offered under the apprenticeship label; such as, basic customer service and reception work, basic office administration and serving in a restaurant.⁴⁸

⁴¹ *Youth Index 2018*.

⁴² NatCen, *British Social Attitudes 25* (2018), p. 31. Available at; http://www.bsa.natcen.ac.uk/media/39284/bsa35_full-report.pdf

⁴³ Andy Green, *The Crisis for Young People: Generational Inequalities in Education, Work, Housing and Welfare* (Palgrave MacMillan: 2017), esp. pp. 45 - 62. See also; B. Hoskins et. al., ‘Negotiating Uncertain Economic Times: Youth Employment Strategies in England’ in *British Educational Research Journal* (2017). Available at; http://discovery.ucl.ac.uk/10037601/1/Hoskins_Negotiating_Uncertain_Economic_Times.pdf

⁴⁴ Intergenerational Commission, *A New Generational Contract* (2018), p. 65.

⁴⁵ For the importance of addressing these see; Talent Match, *2018 Knowledge and Learning Programme Briefing* (2018).

⁴⁶ See recording of DWP committee meeting, 30th January 2019;

<https://parliamentlive.tv/event/index/ea5faf69-8a3a-441f-ac5b-6cc5f269e1f2?in=10:21:09&out=10:24:44>

⁴⁷ See, for example; *Hidden in Plain Sight*. And; Young Women’s Trust, *Working Well?: Young People’s Experiences of Job Centre Services* (2018).

⁴⁸ Tom Richmond, *The Great Training Robbery: Assessing the First Year of the Apprenticeship Levy (Reform: 2018)*.

There should be therefore be greater recourse to ensuring that young people have access to apprenticeships that are matched to their abilities and, where possible, their preferred sector and taking into account local contexts; with early and continuous tailored support to help manage expectations and improve a young person's chances of continued employment, skills development, and subsequent career progression. In short, a greater focus on investing in and developing the skills of young people as a condition of apprenticeships.

As a brief example of something that works for those furthest away from the market; the large-scale *Talent Match* programme found that for those furthest from the labour market there is a clear need for a long-term, holistic approach such as that provided by youth work. The earlier this engagement is made, the better the chances of a positive outcome.⁴⁹

Alongside this some protection of their employment conditions once in the labour market is necessary to ensure they are not subject to insecure working conditions.

Are schools, colleges and youth organisations able to manage the supply and demand needs they have?

Recent policy is increasing the burden on schools to be the 'silver bullet' to all of young people's needs, replacing many other services that previously supported them.

For example, a lack of funding and joined up working has seen career advice services such as Connexions discontinue, and has lessened the interaction between schools and other services which can help bridge these gaps, to the extent that only 13% of teachers know where to get information to support the development of those skills in their pupils outside of school.⁵⁰

Similarly, the reduction in youth work has led to an increased reliance on Schools now being expected to provide the means for developing character, resilience and other such elements of personal and social development.⁵¹ But these skills are most needed by those from less privileged backgrounds, as independent schools with smaller class sizes, facilities, and resources, are more likely to provide extra-curricular activities that help address these areas. Children are also only in school for 15% of their waking hours during their school life.⁵²

There needs to therefore be a greater amount of targeted joined-up working across the whole eco-system of services to children and young people in a local area, in order to help service providers understand where specific shortfalls or needs may exist with the most appropriate provider being resourced to help fill this, not just schools – this will help to spread the pressures of supply and demand of need across the eco-system and best allow the conditions for relevant and continuous support for children and young people.

What are the challenges and opportunities of relying on the businesses community to fill some of these gaps?

The business community is an essential part of any solution to youth unemployment for obvious reasons, but it cannot be expected to cover for a lack of joined up working across different sectors and a lack of funding for infrastructural bodies to oversee this. Furthermore, often they may only be

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⁵⁰ *Life Lessons*, p. 3.

⁵¹ Department for Education, *Developing Character Skills in Schools: Summary Report* (2017), pp. 8 – 11.

⁵² House of Commons Education Committee, *Services for Young People: Third Report of the Session 2010-12* (2011), p. 3.

able to ‘fill these gaps’ later on in a young person’s life; but earlier prevention is better than this late intervention.

There are, however, specific areas where businesses can aid those entering employment for the first time, for example with support for financial capability education.

It is not that financial help is not available, but as the latest UK Financial Capability Strategy states, *‘whilst there is existing support available [in financial capability], getting engagement from young adults can be difficult’*.⁵³

We know that most financial behavioural patterns are formed from as early as 7 years old, and analysis of OECD countries shows England to lag behind many other ‘developed’ nations with ‘comparatively weak financial skills amongst young adults’.⁵⁴ The latest financial capability survey of the UK determined that the youngest age group surveyed (18-24 year olds) was the least adept at managing their money,⁵⁵ suggesting that there is a culture of financial illiteracy in Britain, and especially amongst the young.

Such context led the Money Advice Service to state that *there may be a case for interventions targeted at young adults to address a lack of confidence managing money and budgeting and around financial decisions, and that finding the right messenger could be an important part [of this]*.⁵⁶

Currently this advice that does exist in schools is predominantly incoherently delivered across all curriculum subjects, and by teaching staff who have no expertise in the topic.⁵⁷ There is, therefore, a gap in support available for children and young people from starting education to starting employment, and this is where the focus should be placed, and it is provable that when a young person starts employment they can receive tailored support which is of benefit. For example; one potential solution that has shown some success in NYA’s My Money Now programme, in which the use of ‘peer’ education, i.e. of young people teaching each other, with the reduced social distance between learner and educator proving far more engaging and effective for young people; especially when educating on lower-level technical skills and to those in their first experience of work (specifically apprenticeships).⁵⁸

This approach was endorsed in the 2018 *Natwest Financial Capability and Young Workers Report*, which argues that financial capability training should be classified as off the job training and built in to future apprenticeship standards and curriculum.⁵⁹

Another area of need is with regard to apprenticeships.

⁵³ Money Advice Service Financial Capability Strategy, p.19.

⁵⁴ A Bhutoria et. al., *The Financial Skills of Adults Across the World. New Estimates from PIACC* (2018). Available at; https://johnjerrim.files.wordpress.com/2018/03/piaac_working_report_march_2018.docx

⁵⁵ Money Advice Service, *Financial Capability in the UK 2015* (2015), p. 17. Available at; https://masassets.blob.core.windows.net/fincap-cms/files/000/000/115/original/FinCap_UK_Survey_2015.PDF

⁵⁶ *Financial Capability*. P. 43.

⁵⁷ Money Advice Service, *Financial Education in Secondary Schools in England* (2018).

⁵⁸ NYA, *Evaluation of My Money Now* (2018). Available at; <https://nya.org.uk/wp-content/uploads/2018/05/A249-MAS-NYA-My-Money-Now-Evaluation-Report-March-2018.pdf>

⁵⁹ Available at; http://cdn10.contentlive.co.uk/ae55bc34ec5147398b06559ca88fdf3f:static/pdf/5434_fincap-report-final.pdf?versionId=bFlzFQ3f0Bp2evxeEHWID6seLQNVNayb

We know that many young people drop out within the first 10 weeks of their apprenticeship (many drop out within the first 6 weeks). Starting a new job can be daunting in itself but even more so for a young person.

Most apprentices are new to the world of work, workplace cultures, employer expectations and day-to-day processes and thus require a higher level of support to navigate their successful transition into the workplace; this is where employers could do more to support this transition, implementing youth work methodologies.

At present, there is no onus on employers to provide this kind of support and indeed small-sized employers would struggle to do so, (the apprenticeship levy would benefit from having a surplus set aside for individually tailored off-the-job training needs delivered by specialists).

The business community would benefit from this kind of holistic support as better financial management and greater support during the transition to employment leads to better overall wellbeing and lower turnover, and therefore greater productivity; but for most effect it should be delivered *during* the transition to employment, not once that transition is complete.

What is working well, what does a great employer look like?

Several major employers and businesses recognise the diverse sets of skills that young people, and especially marginalised young people with little formal educational background, can bring to an organisation, with recruitment schemes designed to offer opportunities to them and to support them in their development.⁶⁰

This not only encourages diversity and helps to level out equality of opportunity, but it allows a business and a community to foster stronger links and have more intimate CSR opportunities.

There are also several schemes and projects that we have been involved in that have produced positive results for employers and young employees, e.g. Barclays (Employability Support Programme, Money Skills Champions and their wider Life Skills Programme) and O2's GoThinkBig.

For example, GoThinkBig reached 1.7m young people between 2016 and 2018, providing over 19,000 opportunities and impacting a further 16,000 more through the projects.

The results are tangible in considering the needs of young people and employment as for over 70% of all young people it engaged it has:

- Made them feel more confident to find out about work
- Helped them feel more positive about their future
- Inspired them to think about different career options

A great employer is one who would be able to widen their recruitment base, identify these areas of need and work in partnership with suitable providers who are able to address these areas, such as above.

There are also positive changes happening on the 'supply side' of the chain, as shown in the first full evaluation of last year's full rollout of 'Support for Schools'. This is a scheme within which Job Centre-Plus (JCP) advisers deliver employability and career advice sessions within secondary schools,

⁶⁰ The Berkley Foundation, *An Employer's Guide to Supporting Talented Young People Facing Barriers into Work* (2018). Available at;
http://www.berkeleyfoundation.org.uk/media/pdf/q/m/An_employer_s_guide_to_supporting_talented_young_people_SPREADS.pdf

and it has been shown to be especially helpful when targeted to those most at risk of falling into the NEET category post-education. Importantly, one of the positives schools saw of JCP involvement, was that they were;

*'associated with the world outside of education ... advisers were therefore seen to be able to offer an alternative view to that of teachers, which was seen to be effective at engaging students, especially those who were struggling academically.'*⁶¹

What could be done at a local and national level to support employers?

As the above testifies there is a greater need to focus on earlier intervention, especially in widening the skills base of young people, by increasing the focus on 'soft skills'. This is especially needed for those furthest from the labour market, and is most successfully done through long-term relationships that employ youth work methods.

Within this 'pre-employment' intervention there is also a clear need for better careers advice for all.

For existing central schemes, there should be a greater youth-centred approach that provides tailored and personalised support and advice.

There should also be some consideration to placing an obligation on more fair apprenticeship access and ensuring that there is a minimum level of personal development within apprenticeships.

Once in employment, or apprenticeships, young people benefit from personalised and tailored support during their initial periods to help them with the transition to a working culture and environment, and the expectations within. There is also considerable scope and need for financial capability support. These wider developmental needs should be incorporated into early employment schemes and apprenticeships.

From a national level, Government should consider widening the focus of support away from schools and ring-fencing funding for wider youth services that are not just focussed on social action or are time-limited. This would provide the means to widen the skill base of young people and provide specialist and tailored advice and support over a long-term, whilst alleviating the pressure on schools, and thereby enable better joined up working that allows for employers to identify areas of needs for young employees, and to then commission providers of services that can address those needs.

Doing this would also help ensure that overarching national policies have a space for local contexts to be considered, and for specialised support and advice to be given to individuals, with a more diverse range of specialist services being able to adapt accordingly.

⁶¹ DWP, *Evaluation of Jobcentre Plus Support for Schools Programme: National Roll-out evaluation 2018*, p. 19.
Available at;
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/696455/evaluation-of-jobcentre-plus-support-for-schools-programme.pdf

SupplyTrain CIC

Executive Summary

In the course of our work with small and micro-businesses we hear of many reasons why employers are reluctant to take on a young person. Our observations and recommendations are set out below. These draw on our work in the area of apprenticeships, but most apply equally to the general employment of young people by small businesses.

Barriers to the employment of a young person by a small or micro-business:

1. Administrative burden
2. Risk
3. Employment Responsibilities
4. Place of work
5. Fluctuation of income
6. Employer engagement services
7. Quality of candidates

Our recommendations:

1. **Impartial advice** - independent, impartial employer engagement should be funded by LEPs/the levy fund.
2. **Levy transfers**- Levy paying employers should be encouraged to 'share' the apprenticeship training they have arranged for themselves.
3. **Apprenticeship Training Agencies (ATAs)** - ATAs should be promoted and encouraged to work more flexibly. LEPs should be encouraged to fund ATAs
4. **Existing Incentives** – should be better promoted
5. **Micro-business financial support** – micro-businesses should be given direct support to take on young people

SupplyTrain CIC

SupplyTrain provides free, high-quality, impartial advice and information on apprenticeships and workplace training to small and micro-businesses and community groups.

SupplyTrain was founded by [Maggie Fowler](#) after she became an Apprenticeship Ambassador in 2015. She had recently retired from a successful finance career in Higher and Further Education and wanted to help small and micro-businesses understand apprenticeships and the benefits they could bring in order to offer more meaningful work opportunities to young people.

Her experience of talking to small and micro-businesses led her to believe that they require additional, independent, help and support to fully engage with the apprenticeship system and that this should be available without charge. SupplyTrain was set up to help address this need.

In 2016, [Phil Golding](#) joined SupplyTrain as Managing Director. Having worked with over 60 training providers on apprenticeship strategy, Phil extended our work to include strategic support to training providers, levy paying businesses and Local Enterprise Partnerships for all aspects of apprenticeships, yet with particular emphasis on employer engagement.

We believe this puts us in a unique position to understand the barriers that prevent small businesses from engaging with the apprenticeship process and also allows us to understand ways in which the system could be improved to overcome these barriers.

Our observations and recommendations are set out below. These draw on our work in the area of apprenticeships, but most apply equally to the general employment of young people by small and micro-businesses.

Observations of the barriers to small and micro-businesses taking on an apprentice

1. Administrative Burden

Small businesses (10-50 employees) and micro-businesses (up to 10 employees) are very different from medium and larger organisations. They are unlikely to have an HR department – and certainly not a dedicated Apprenticeship Manager – that, in a larger firm, would have responsibility for most aspects of the apprenticeship procedure.

Consequently, in a small or micro-business, the recruitment of an apprentice will require considerable input from senior staff, unfamiliar with the system, who see it as a diversion from their main role of income generation.

2. Risk

For the same reason – size of enterprise – the risk involved in taking on an apprentice is proportionately much greater for a small or micro-business than a medium or large one. Most levy-paying organisations take on an annual cohort of apprentices accounted for within a separate budget. A small firm does not have this luxury – an appointment must contribute to the bottom line, a bad appointment could ruin a small or micro-business.

This means the relatively new 10% contribution to training costs and 20% off-the-job training enforcement have increased the risk and played a part in the drop in apprenticeship starts. However, this more rigorous commitment from employers has also put off many less scrupulous businesses from using apprentices as cheap labour rather than offering them a route to a skilled profession – so ending the contribution across the board, is not advisable.

3. Employment Responsibilities

Apprentices must be employed. For a micro-business just looking to expand, it can be the case that taking on an apprentice will be their first employee. This is a step-change in responsibilities for a business – for example consideration will need to be given to employee rights, auto-enrolment, insurance, health and safety. Micro-businesses have very little time to research these matters – and a conscientious employer will want to do this properly.

4. Place of work

Many micro-businesses operate from an individuals' homes. It may not be appropriate to require a young person to work with them at home, and equally the young person's home circumstances may not be suitable for them to work. So, the recruitment of an apprentice may also require the company to look at taking on external office space.

5. Fluctuation of income

Many small and micro-businesses do not have steady income. They may be working on short-term contracts with no certainty of work in the future or reliant on one client for 90% of their income. This makes it difficult to commit to taking on an apprentice permanently – or on a full-time basis.

6. Employer Engagement services

A good employer engagement team at a training provider, could overcome many of the barriers identified above by articulating the business case for apprenticeships or providing solutions to these problems.

However, we have heard of many examples where small and micro-businesses have had difficulty getting the right information and support. For example:

- Many training provider websites are out of date – many still mention the AGE grant
- Staff not being aware of all the standards that the provider is delivering
- A telephone line that is never answered, and messages never returned
- Staff that do not understand the issues that small and micro-businesses face and cannot articulate the incentives available. (This particularly applies to the exemption of apprentices under 25 from Employers National Insurance contributions, which is a very valuable incentive but is not being promoted at all.)
- There is little investment in CPD training for employer engagement staff.

7. Quality of candidates

Some small and micro-businesses have told us that the quality of candidates can also be poor, especially those that have been referred by the job centre or a pre-employment course. Examples include not having the right attitude and taking too many days off sick. This increases the risk for a small or micro-business, stops them recruiting and hampers social mobility.

Employers generally want to help people get on in life, but small and micro-businesses cannot afford the time to get some young people up to speed and motivated to work without more support.

Recommendations

1. Impartial advice

Small and micro-businesses require tailored, impartial advice delivered to them by people that understand business. This should include a skills audit and signposting for further help. Some LEPs are starting to offer independent advice, but it is mainly geared to larger employers. In Jersey, where there are many very small businesses, an impartial employer engagement and support service has been implemented and the number of apprenticeships has risen exponentially.

We recommend that independent, impartial employer engagement should be funded by LEPs/the levy fund, with staff given high-quality, on-going training to understand what it's like to run a small or micro-business.

2. Levy transfers used to supplement levy-payer cohorts

From April, levy payers may transfer up to 25% of their levy funds to other businesses. This means that a small or micro-business receiving the transfer does not have to pay the 10% contribution to the apprenticeship training.

Whilst this is important, the 10% contribution is a far lower sum than apprentice wages, therefore we do not believe it is a significant barrier to the recruitment of apprentices. However, a levy transfer can be used to significantly reduce the administrative burden.

If, instead of just offering *funding* to small or micro-businesses, the levy payer organises and negotiates additional *apprenticeship places* which can be offered to small or micro-businesses, they

are relieving the small business of all the administrative burden and providing them with a ready-made solution – and an existing cohort of apprentices which their apprentice can join.

We recommend that this method of levy transfer be encouraged, and impartial advice is available to help levy-payers establish partnerships with small and micro-business.

3. Apprenticeship Training Agencies (ATAs)

ATAs act as apprenticeship employment agencies. They employ the apprentice and hire them out to small or micro-businesses. This relieves the employer of the administrative burden and the risk. There is however a premium to pay to the agency which acts as a barrier.

We recommend that ATAs are promoted and encouraged to work more flexibly, even being able to hire out apprentices for short term, project work which could be completed at the ATA's premises – meaning that even those businesses without premises could benefit from an apprentice.

We recommend that LEPs should be encouraged to fund ATAs so that no premium is applied and that the apprentices' wages could be subsidised for the first year.

4. Existing Incentives

Existing incentives, such as the exemption from Employer's NI contributions for apprentices under 25 should be **better promoted**.

5. Micro-business financial support

Any new incentives for micro-businesses only, should recognise the additional work required by those taking on an apprentice. Currently there are substantial funds that go to ESF programmes where young people are given 'simulated' work experience before finding a work placement. The training provider is paid an 'employment outcome' payment when the person from a training programme completes as little as one-day's volunteering! This does not incentivise the provider to run high-quality training that gets people in to work long-term.

This funding would be better directed to micro-businesses that could receive funding for taking on a young person – particularly those that are furthest from the jobs market – and give them real-life work experience. This would help micro-businesses dip their toes into employing people and make a bigger impact on social mobility. **We recommend that this be considered.**

Maggie Fowler
Phil Golding

1st March 2019

The Inspirational Learning Group

Executive Summary

As we approach Brexit it is clear the future success and prosperity of the UK will increasingly depend on our ability to harness home-grown talent. Key to this will be our ability to encourage the creativity, resilience and innovation of our young people.

With the continued rise in self-employment in the UK Labour market, young people are more likely than ever to choose self-employment as a route to a satisfying career and gainful employment. So whilst all the efforts being made to increase employer engagement continue to be important, it is even more important we don't lose sight of the skills young people need if they are to be successful employees or employers in the future.

- **Enterprise Education continues to be important:** In addition to general employer engagement, Enterprise Education should be a key strand of the careers support provided to young people. This is not only because of the structural and technical changes in the economy, but also because enterprise skills help to prepare young people for the world of work and provide them with the creativity, resilience and innovation necessary to succeed in the modern world.
- **Important to balance quality and quantity of employer engagement:** There is strong evidence to support the need to deliver on both quality and quantity of employer engagement. (e.g. <https://www.educationandemployers.org/wp-content/uploads/2018/03/brochure.pdf>) However, policymakers need to better understand the pressure this places on schools and employers and how these pressures can be mitigated. There is currently an over-reliance on key individuals, which means engagement is not also sustainable or embedded.
- **Pupils in most need remain hard to reach.** Despite changes and signs of improvement in some areas, it is clear that those in education with greatest need for employer engagement commonly received it least. Many of these young people have the entrepreneurial mindset which could be used to start a business (see Start Up Loans stats on NEET and unemployed business owners. <https://www.startuploans.co.uk/media-centre/the-start-up-loans-company-delivers-50000th-loan-to-microbusinesses/> & <https://www.educationandemployers.org/wp-content/uploads/2018/03/brochure.pdf>

Introduction to the Inspirational Learning Group

Since founding the Inspirational Learning Group in 2012, entrepreneurial cousins Ben and Michael Dyer have gone from strength to strength creating and delivering enterprise and employability programmes for young people, preparing and upskilling them to achieve success in their future career choices. Through first class delivery and local and national partnerships with school, colleges and employers The Inspirational Learning Group (TILG) has established itself as a leading enterprise educational and employability provider, delivering the renowned National Enterprise Challenge, which is a KS3 & KS4 programme that has attracted over 450 schools and 200,000 students since its first challenge was launched back in 2013.

The founders of TILG typify the creativity, resilience and innovation of many young people in the UK who, instead of seeking lifelong careers with large employers, choose to start their own business. They saw a problem in how young people were being prepared for their future careers and sought to be part of the solution. With support from the Government funded Start Up Loans scheme, Ben and

Mike created a successful business, which now employs 13 people. TILG recently moved to new offices in Stafford from where it plans to expand its reach and impact.

TILG is committed to ensuring all young people have the skills and confidence to succeed in the world of work. It is keen to be part of conversations about how support is provided not only to young people, but also to the employers and schools who have a responsibility for delivering this key element of the education our young people deserve; and our economy needs.

Evidence

The APPG has received clear evidence that there is a commitment to this agenda from Government and business organisations. The creation of the Careers and Enterprise Company has provided infrastructure to bridge the relationship between businesses and schools. It is also clear that businesses are engaged in this agenda, albeit that they are facing demands/pressures to put resources into supporting young people and providing them with impactful engagements with employers.

Young people today experience a completely different economy and labour market than previous generations. The most striking difference is that they are more likely than ever before to run their own business. This was highlighted in Lord Young's 2014 *Enterprise for All* report, which led to the creation of the Careers and Enterprise Company.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/338749/EnterpriseforAll-lowres-200614.pdf)

As recently as this week, the Chief Secretary to the Treasury, The Rt Hon Elizabeth Truss MP and former Education Minister stated:

"I think we've got to appreciate what we've got, and in the last year there's been a 5% increase in business registrations.

The momentum hasn't stopped. What is also very interesting is the attitudes of generations that are under 21.

They're more likely to want to start up a business than previous generations and they're doing it in droves, as we've seen an 85% increase in 18 to 24 year olds setting up businesses just in the last three years alone.

I had a group of those businesses called '20 under 20' in my office in the Treasury talking to them about when they'd start up their business what motivated them, and most of them said that it was at age 11 that they'd first thought of their idea....It is those ideas, and it is these people that drive progress in our country."

https://www.gov.uk/government/speeches/chief-secretary-enterprise-nation-remarks?utm_source=95062a6f-e9a6-4ec6-beaa-1c49152e4933&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate

The 2016 Ofsted survey updated and confirmed the findings of successive Ofsted reports that the key factors promoting successful enterprise education are:

- a commitment by school leaders to enterprise education and having a sufficiently senior member of staff to champion it throughout the school
- common understanding of what enterprise education is, based on an agreed definition ensuring that there is a coherent programme that embraces all pupils; that learning

outcomes are clearly identified and that there is progression in pupils' knowledge, understanding and skills

- having systems in place to assess pupils' progress in relation to enterprise education as well as to monitor the quality of provision in this area
- having an effective programme of training to develop teachers' understanding of enterprise education and their expertise in delivering it
- making effective use of links with employers to ensure that the content of courses is up to date and reflects current business activity.

Inspectors found all of these characteristics in just **four of the 40 schools** visited. In these schools, leaders and governors had taken a strategic decision to offer enterprise education that meets the needs of their pupils and the local economy.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/577236/Getting_ready_for_work.pdf

Role of Enterprise Challenges

As providers of the largest enterprise challenge in the UK, we see daily the impact this type of engagement has on young people. This is illustrated in the Careers and Enterprise Company's own research 'Business games and enterprise competitions. What works?', which states:

The experiential nature of such activities can be engaging and encourage the development of such abilities, skills and knowledge in a different way from more conventional career learning activities.

Since there are several such competitions and games run nationally with no cash cost to schools or students, they present a viable and stimulating way for students to gain experience of enterprise and business.

<https://www.careersandenterprise.co.uk/sites/default/files/uploaded/careers-enterprise-what-works-report-business-games-enterprise-comps.pdf>

We would like to see a broader framework for assessing the impact of careers support and employer engagement. Currently the emphasis is on the number of interactions, whereas the quality and impact of these engagements is also key.

The role of employers in Enterprise Education

Alongside the traditional workplace experience that employers can provide to young people, there is also a specific role that employers can play in further developing young people's employability and career planning skills whether they move towards employment or self-employment. Through employer support in enterprise education they learn how to evaluate their skills and motivations, understand the entrepreneurial mindset, develop commercial awareness and demonstrate the application of key communications skills including teamwork, networking and pitching. By linking in with employers and entrepreneurs, enterprise education can provide young people with up to the minute insights into a variety of careers and entrepreneurial trends.

We daily speak to businesses, which have a real desire to support young people at this crucial stage in their development, but they do not have the resources or expertise required to engage with schools directly. As such, many rely on providers such as TILG to build connections and to signpost to potential funding. Those engaged with the CEC Co-ordinators/Advisers are well served, but it is clear there is significant unmet demand from employers who require additional assistance to take on the

challenges presented by attempting to fully engage with this agenda.

Recommendations for action

1. In order to ensure that policy development takes account of the growing trend in self-employment as a career choice for young people it is important that the ask of employers includes their engagement with enterprise education alongside traditional workplace experiences. There is an opportunity here for SMEs to provide their relevant and expert support and increase their level of engagement with educational providers. Establish an Expert Group on Enterprise Education and Employability to:

- provide professional advice and input into the development of policy and practice in enterprise education and enhancing young people's employability skills
- share and disseminate research and insights from key reports and programmes relating to enterprise education and employability
- inform responses to relevant national and regional consultations relating to enterprise education and employability and provide a co-ordinated response where appropriate.
- act as an information exchange for events and activities across all member organisations. This channel will help identify any potential areas for collaboration and will aid forward planning and coordination for initiatives relating to enterprise education and employability.
- provide a forum for members to share information, plans and ideas about campaigns and work relevant to the promotion of enterprise education and employability in the UK.

The National Lottery Community Fund

1.0) Executive Summary

1.1) Talent Match is a £108 million programme funded by the National Lottery Community Fund to support young people aged 18 to 24 who need extra support to help them along their path to employment.

Talent Match targets young people who are considered furthest away from the labour market. This includes long-term unemployed youth and young people who have complex lives and face multiple barriers to employment. Our partnerships also carry out outreach work to identify, engage and support so-called 'hidden youth' who are young people neither receiving benefits nor engaged in employment, education or training. Talent Match builds on a youth-centred approach, which places the wishes and aspirations of young people first, before those of the services that are there to support them. Our local partnerships work with young people to stabilise their lives, support their aspirations and equip them with the skills and attitudes that will help them to take their first steps towards employment. In addition to practical support, the TM partnerships seek to improve local policy and practice around support for young people.

Key success factors that have emerged from the Talent Match programme are:

The Talent Match Programme has supported 26,000 young people, with 7,600 of these securing employment.

The personalised, individual nature of support: there is no standard approach, partnerships do different things according to need, their skills and what young people request. Participation in Talent Match is voluntary and our partnerships work flexibly with beneficiaries - on their terms, for as long as needed, without penalising for missed appointments or setbacks in progression.

1.2) The programme successes are now acknowledged more widely, with the Talent Match programme recently recognised as one of the 22 promising practices in Europe in the field of youth employment by the European Commission – the only programme/project from the UK. This is a great testament to the work of the Talent Match partnerships and continued commitment to co-production and VCSE leadership amongst other things, which set Talent Match apart from most youth employment initiatives in Europe.

1.3) Young people tell us that they feel listened to and valued within the programme. They have appreciated having someone, usually a key worker, who takes time to listen, who cares about their situation, and gives them confidence that they are not alone. The proportion of young people with a 'very high' score on life satisfaction almost triples during their time on Talent Match. This is an important factor as it enables the young person to have the confidence to begin their employment journey.

1.4) The continued success of Talent Match will rely on the integration of the key learning developed from the programme. Talent Match has discovered:

Those furthest from the labour market may require a range of specialist support and resources that address the most pressing problems, such as addictions and housing, first before their journey to stability, self-confidence and employment can begin. The costs related to supporting some of those who are genuinely furthest away from the labour market should be seen in the context of the severity of the economic, social and health impacts of extended periods out of work (especially at a young age). Young people should be set up on a long-term sustainable pathway; quick-fixes that push young people into work when they are not ready do not work. The quality and 'fit' of first jobs

and placements do matter. Thus, labour market interventions for young people need to take into account not only the needs and barriers but also their strengths, wishes and aspirations.

It is important to consider greater integration of mental health and employment support services. Our experience suggests that mental ill health is one of the biggest personal challenges that young people are facing. Traditional recruitment structures also disadvantage young people with learning disabilities and on the autism spectrum. Talent Match partnerships have worked well with employers to address some of these barriers, i.e. by introducing work trials instead of formal job interviews.

1.5) Talent Match has been delivered in 21 Local Enterprise Partnership (LEP) areas across England which experience high levels of youth unemployment for five years from 2014 to 2018, with a number of our local partnerships continuing into 2019 to further embed learning. Three partnerships in the Black Country, Humber and Liverpool have been awarded Talent Match sustainability funding totalling £9m to deliver more focussed programmes to support young people in their areas, for up to an additional four years to 2022.

1.6) Our conclusions from the Talent Match programme are that:

- Mental health support could be better integrated with employment support to ensure young people do not fall into the gaps between the two when seeking work.
- Government and local authorities could consider gathering greater insight into 'hidden' young people to track their progress, improve understanding and ensure all young people can access the support they need to thrive.
- Involving young people in the design and delivery of employment services could help achieve greater ownership among key audiences.
- The role of in-work support could be considered by employment programmes in their offer.

2.0) Consider integrating mental health support with employment support

2.1) We have found that one of the biggest personal challenges that young people are currently facing are associated with conditions like autism or they suffer with mental ill health, ranging from clinical mental health problems to high levels of anxiety and depression. Many are not receiving the support they need. Even when they are, a lack of integration between mental health support and employment support often makes the journey to work much harder.

2.2) Talent Match has some excellent examples of delivering mental health support and ensuring unemployed youth do not fall into the gaps between mental health and employment services when seeking work. For example, TM Liverpool offers in-house therapeutic support through the recruitment of dedicated practitioners. One of their representatives wrote, "we have found that young people need access to counselling at the moment when they need it, not when the next course is run or when the waiting list has been addressed."

2.3) A MIND support worker visits the Northamptonshire TM project regularly and runs support sessions with young people in the same building. This helps the young person to feel safe and secure, gives them easy access to their peers and key worker. Young people on the Black Country TM advocated for the introduction of Mental Health First Aid training for all staff to increase their awareness and understanding.

2.4) Integration of mental health and employment support does not need to be complex or unaffordable in the context of a large employment programme. Providers can train staff to engage with participants about their mental health needs and provide dedicated support for those experiencing common mental health issues (e.g. anxiety or depression) as part of their employability journey. Talent Match Humber and Talent Match Liverpool have both used the additional resources provided through ESF match to employ counsellors and train other staff, successfully triaging cases and delivering improved health and wellbeing outcomes cost effectively without increasing the burden on the NHS.

3.0) One-to-one support plays a fundamental role in helping young people transition into the labour market

3.1) Many young people know little about the process to secure and sustain employment and their existing networks often lack the capacity to help. Support built on a one-to-one trusted relationship is essential to help those furthest from the labour market into work, therefore almost all TM projects include a ‘key worker’ model.

3.2) A key worker is a trusted advisor for young people to confide in, who will provide support and guidance. From the experience in TM a number of characteristics have emerged, demonstrating a key worker needs skills including the ability to:

- build rapport and trust with young people, listening and understanding their point of view and provide intensive, longitudinal support
- set boundaries and avoid creating dependencies
- focus on motivating, supporting and challenging young people, treating them as equals
- be flexible and committed to a person-centred approach, providing support tailored to the individuals
- Have awareness of employability development context, e.g. qualified in the Information, Advice and Guidance (IAG) approach

3.3) One key worker described the required skills as follows, “...I think it’s very important to have my kind of characteristics where you build up a friendship, build a relationship first and then get onto the nitty gritty, this is what we should be doing, can we push you a little bit further”.

As TM participants get closer to employment, the skills that key workers need change, moving from a youth work approach that focuses on emotional, personal and social development, to a greater emphasis on employability and careers guidance.

A participant from the TM Black Country described his experience with his key worker as follows, *“if other people say stuff to me and I don’t understand. I just ask him and he will make a point to phone them, find out and explain it to me. He gets the difficult things, breaks it down and makes it easy for me. It’s making me a better person in myself. I used to act and then think. Now I think more before I act”*. However, the right balance needs to be found between spending time helping someone into employment and encouraging and enabling change and development. For example, the TM Humber team have found that, *“participants do better when we work with them, not for them”*.

4.0) In-work support can improve sustainability of employment outcomes

4.1) Labour market programmes can focus solely on getting people into work, with little thought for the support people need once they are in work. Without appropriate support, young people furthest from the labour market tend to experience unemployment on a long-term basis or ‘cycle’ in and out of employment. This can lead to them being viewed less favourably by employers, their skills and confidence worsening over time, and their expectations of work being damaged.

TM experience suggests that in-work support can help support sustainable employment: 81% of TM participants who have received in-work support have held onto their job for 6 months while only 75% of those who have not received such support have stayed in their role.

4.2) Young people who require the most intensive support to secure a job outcome are also more likely to struggle to retain employment in the short-term. Those who most need in-work support tend to be young people with low confidence, hidden disabilities, learning difficulties and chaotic/complex lives. The intensity of in-work support required can vary widely, and it can include the following aspects:

Practical support e.g. help with arranging transport to work, appropriate clothing or assistance with organising caring responsibilities

Support with non-work related issues that impact on keeping a job e.g. advice about making hospital appointments, dealing with probation

Guidance on work-related matters including work appropriate behaviour and managing working relationships

Assistance provided to an employer to support a beneficiary’s job retention

Successful in-work support provides a sounding-board for the TM participant, giving advice on a range of issues rather than taking action on behalf of young people.

4.3) In-work support needs to be tailored to the TM beneficiary and employer, with good communication between the three parties involved. One beneficiary spoke of his employer developing his skills and his key worker supporting his emotional side, “*It's like a ping pong table if you like, [with my key worker] on one bat and [my employer] on the other bat and I'm just being flung and they won't let me fall off the table if that makes sense. That's how I think of it anyway*”.

4.4) Initiatives which focus on specific groups have also been found to have a positive impact.

People’s Awareness of Disability Discrimination (PADD) is a group developed from TM Humber that supports the employer and employee during recruitment and employment, resolving practical barriers that could lead to a breakdown of communication, and redesigning interview processes to give disabled young people the best chance to demonstrate their skills and abilities.

5.0) A real step change is needed in the relationship and engagement between employers and young people

5.1) Youth employment partnerships can do a lot to prepare young people for the world of work but their efforts are in vain if employers do not see the potential in local youth or are not willing to give ‘first-job’ experiences for them. Building meaningful relationships with employers from the very beginning is important, rather than it being a tokenistic after-thought.

Talent Match has many positive examples of local partnerships working with employers to address barriers to employment for this group of young people:

5.2) Involving employers in design of your services

Some employers have told us of their desire to support more young people from different backgrounds into employment. But they have also told us of their frustration at being at the 'end of the chain' from many work-related programmes.

The engagement of employers has been central to TM London. The original Steering Group included representatives from Business in the Community and the London Chambers of Commerce. Large employers such as Barclays, British Land and Microsoft, were also consulted in the planning process to understand their needs and how the programme can fit within their corporate responsibility objectives. There is also appetite from SME's to tap into talent and abilities of young people with hidden disabilities, as demonstrated by the Talent Match Humber project, but that they don't know where to start, have the confidence that they are doing and saying the right thing, or have the resources, expertise, capacity, training etc. in place to support these young people into employment.

5.3) Creating more constructive job application experiences

Many young people have negative experiences of applying for jobs. It is very common for applicants not to receive any feedback after unsuccessful applications or interviews, leaving many applicants frustrated. One TM participant explains, "*I was sending job and apprenticeship applications every week for a year. I was always unsuccessful and I didn't know why*".

Also, traditional recruitment structures disadvantage some applicants. Those with a learning disability or autism spectrum disorder find interviews particularly challenging, but are much more comfortable demonstrating their skills during a work trial.

Young people from TM Humber have hosted events to showcase the skills of young people with hidden disabilities to local employers. One event gave businesses an opportunity to speak to Disability Confident employers and their employees, experience what it is like to be in the work environment when you have autism (through a unique simulation room), do some myth-busting around what 'reasonable adjustments' mean in practice and how to access key services that are dedicated to supporting businesses.

5.4) Offer a 'menu' of options for employers to get involved

Employers vary in their motivations and resources to get involved in youth employment programmes and TM partnerships have responded to this.

Talent Match Mark was initiated by our partnerships and was co-developed by TM London together with Youth Employment UK and Movement to Work. It is an award framework that recognises and celebrates small and large employers who support young people. It has involved 1,800 employers so far – this includes large international and national organisations as well as SMEs.

The Mark offers three main routes for employers to get involved in Talent Match: First, employers can offer light-touch job/career exploration opportunities for young people, such as hosting workplace visits, taking part in career days, offering mock interviews, taking part in Q&A's and coffee & chat sessions with potential applicants.

These do not require big investment from employers but are important for young people: the majority of our participants have never worked which means that there is a lack of basic understanding of the variety of roles available within different sectors. Also research shows that a third of our beneficiaries (38%) do not understand what skills

employers are looking for.

Second, the Mark also encourages employers to provide two to six week work experience placements to allow young people to delve into a particular career path whilst developing skills. As an example can be mentioned the collaboration of TM London with Centrica/British Gas to recruit for their work placement programme that they have previously struggled to fill. On paper the opportunity was great: a two week work experience where participants shadow a British Gas engineer on site with a guaranteed interview and about 70% participants going into paid employment at the end. The TM team worked hard to convince the company to improve physical access to these training places for young people and cutting the placement from a seven week traineeship to shorter two to three week work placements.

Finally, employers can get involved by offering employment opportunities, including apprenticeships or entry level roles that young person can sustain for at least six months, with support from their TM support worker. As an example, TM Nottingham project runs the apprentice recruitment scheme for Eon in the city. By teaming up with local referral partners and an accredited training provider they are making apprenticeships accessible to those with fewer qualifications, as well as successfully meeting both the recruitment and Corporate Social Responsibility requirements of a major employer.

5.5) Reviewing expectations of employers for entry level jobs

An important barrier to securing employment for young people is the expectation of candidates to have previous work experience and/or a minimum level of qualifications: 63% of employers countrywide require previous experience for entry level roles. This results in a vicious cycle - if an entry level job requires past experience how can young people get that initial experience? Many young people also lack the confidence to apply for a job when the job advert includes jargon and intimidating phrases like 'outstanding organisational skills'.

Our partnerships have shown employers how recruiting for entry level roles can be based on behaviour and attitude rather than experience and qualifications, and providing young people with work placement opportunities are some of the ways in which our partnerships have tackled this problem.

For example, in return for taking part in Talent Match Mark, young people from TM help employers by reviewing their recruitment and employment practices (e.g. in relation to jargon-free communication and structured training opportunities). They have also reviewed videos used by employers to advertise their work placement opportunities to make them more appealing.

ThinkForward

Executive summary

- Study programmes, traineeships, T-levels, supported internships and apprenticeships all require varying degrees of employer engagement. Given that some of these programmes are funded across more than one government department, there does not appear to be any strategic coordination of their requirements, or any cross-government strategy relating to youth employment.
- There is no strategic overview to reflect local labour markets, map to an institution's curriculum or work effectively with different programme or institution/provider types. As a result, there is no coordination and a lost opportunity to tap into local talent pools.
- It is our experience that the employer engagement burden on schools is a huge challenge. Resourcing is difficult, especially given the funding constraints schools face.
- Schools and colleges can find it hard to provide employer opportunities for young people who are the least engaged, yet they are the students who need these experiences the most.
- Organisations like ThinkForward play an important role to bridge the gaps the schools cannot, both in developing young people to get them ready and interested to engage with workplace activities and identifying and nurturing businesses to provide the opportunities.
- There is huge variance across the UK in the ability of employers to provide engagement with young people. Some regions will contain large scale employers (who often have CSR teams), a multitude of sectors and good transport links, whilst more rural areas will lack both the size and range of employers and the transport infrastructure to access what little opportunity there is.
- Businesses that are known to provide engagement opportunities are often inundated with requests and can't handle the demand.
- Businesses, especially SME, often don't have the resources. They tend to shy away from providing any engagement opportunities at all, or only offer a one-off activity/host small numbers of students. There is a lost opportunity therefore to access these smaller employers.
- Creating and developing effective engagement takes time and resources – from both the business and school/college/youth organisation.
- Our recommendations include:
 - A UK wide youth employment strategy with coordinating structures through each regional LEP and a requirement on all LEPs to develop a youth employment strand. Strategic engagement between existing planning/funding structures and the LEP in each area (where they exist)
 - A requirement for levy paying employers to use a percentage of their apprenticeship levy on new entrants to the labour market (young people)
 - A local/national work insight/work experience database that complements the apprenticeship database.

Introduction to ThinkForward

1. ThinkForward runs two long-term coaching programmes that aim to prevent young people becoming unemployed. Our ThinkForward programme works with disadvantaged young people in London, Nottingham and Kent, and our DFN MoveForward programme supports young people who have mild to moderate learning disabilities in London, Kent, and the West Midlands. In 2019 we will be supporting more than 1000 young people.
2. Our ThinkForward programme is a NEET-prevention programme that works with hard to reach, disengaged young people in Nottingham and Kent, and Tower Hamlets and Islington in

London. These young people typically come from backgrounds that are disadvantaged in multiple ways.

3. Our highly-skilled coaches work in schools and offer intensive support to the students identified as being most at risk of leaving school and becoming unemployed, with all the negative impacts that then has on their life chances.
4. To combat this our programme works on attainment, attendance and behaviour but crucially, also develops a range of work readiness skills in young people which are key in preparing them for the world of work. They are: being driven, a good communicator, self-aware, self-assured, resilient, receptive and organised. Brought together, these ‘soft skills’ help to equip young people for the workplace.
5. ThinkForward is unique because we run the only programme of its kind that works with young people for five years. We start in Year 9 and continue through to the end of the year in which students turn 18.
6. Our second programme is DFN MoveForward which works in London, Kent and Warwickshire and Sandwell with young people who have mild to moderate learning disabilities, with the aim of supporting them into sustainable paid employment. These young people face massive challenges around getting into the workplace. Just 6% of adults with a learning disability known to their local authority in England are in paid work, according to the government’s Health and Social Care Information Centre (now NHS Digital) in 2015.
7. A key element of both programmes is the opportunity we give young people to gain experience of the workplace, through our ‘ready for work’ programme. By partnering with a range of businesses from local employers through to large, national companies we provide young people with relevant exposures to the world of work through insight days, business mentoring and work experience.
8. The ThinkForward programme works in areas of low social mobility with young people who do not have the resources, aspiration and support to achieve their full potential.
9. The networks, resources and contacts that many advantaged students can deploy to secure work experience, for example, can be completely missing for a young person from a disadvantaged background.
10. Our reason for submitting to this inquiry is that our role is to support young people into employment. This means we have experience in all the locations we work in of both the general and local challenges young people face in getting meaningful access to employers when they are still at school/college, and the difficulties we can face as an organisation in securing these opportunities for our young people, and then supporting them into a job.

What are the asks of government on employers regarding youth employment, are these appropriate, is there a strategic view across government of managing the expectation, supply and demand?

11. In more recent years, governments asks of employers have been mainly through engagement in various education programmes on the delivery side. There are currently a large range of programmes in post and pre-16 education which require employer involvement of some description.
12. To be regarded as “high quality” by OfSTED, study programmes, traineeships, T-levels, supported internships and apprenticeships all require varying degrees of employer engagement in the curriculum. In order to fulfil the requirements of these education programmes, institutions and organisations are replicating at team or individual level,

externally facing roles which seek to secure the necessary employer engagement in a myriad of different ways.

13. Given that some of these programmes are funded across more than one government department, there does not appear to be any strategic coordination of their requirements or any cross-government strategy relating to youth employment.
14. Periodically, at times of significant reform, government will make strategic asks of sector or association employer leaders for input into programme design. This was particularly evident during apprenticeship reform. These requests were mainly about content and not specifically about young people's employment.
15. There is confusion around the apprenticeship levy. While the idea is good, many businesses treat it as a tax instead of recruiting apprentices, as they may not have the structures in place to create an apprenticeship scheme.
16. In our work with employers we are aware of various employer/education networks around the country which may attempt to bring some order to this work. However, there is no strategic overview or coordination of this work which reflects local labour markets, maps to an institution's curriculum or works effectively with different programme or institution/provider types.
17. For example, in Kent where the largest employers are local government, the universities and the NHS it is very difficult to find anyone who would have an overview of employer engagement activities for young people across the county. As a result, there is no coordination and a lost opportunity to tap into the local talent pool.

Are schools, colleges and youth organisations able to manage the supply and demand needs they have?

18. All of these organisations work hard to support young people to engage with employers in a positive way, but it is our experience that the employer engagement burden on schools is a huge challenge.
19. Resourcing this requirement is difficult, especially given the funding constraints schools face. It is difficult for them to meet the needs of all their young people especially when you consider labour market mismatches, geographic challenges and the additional need to support and encourage the least engaged students.
20. This issue becomes incredibly complex when you then overlay geographic variations in each UK region. Some regions will contain large scale employers, a multitude of sectors and good transport links, whilst more rural areas will lack both the size and range of employers and the transport infrastructure to access what little opportunity there is.
21. In Kent, for example, the sheer size of the county and the prohibitive costs of travelling to larger employers has a big impact on access to employer engagement activities for young people.
22. The lack of large corporate HQs in Kent and Nottingham means fewer opportunities. Smaller businesses may not have the capacity to support the demand, and there is a reduced range of business types.
23. Schools and colleges can find it hard to provide employer opportunities for young people who are the least engaged, yet they are the students who need these experiences the most. Organisations like ThinkForward play an important role to bridge the gaps the schools cannot, both in developing the young people to get them ready and interested to engage with workplace activities and identifying and nurturing businesses to provide opportunities.

What are the challenges and opportunities of relying on the business community to fill in some of these gaps?

24. The feedback from our team in Nottingham, for example, is that there are many requests from schools and youth organisations to local businesses, but a lack of process and coordination in those businesses to manage them effectively.
25. They also report that if a business is known to provide opportunities they are inundated with demand and can't handle the load, meanwhile businesses that don't have the resources or process in place, tend to shy away from providing any opportunities at all, or only offer a one-off activity.
26. In Kent, there are many SME businesses, but they do not have the capacity to support big numbers of students. The CEC employer engagement approach to having representatives from across the business landscape and assign them to individual schools is one approach. Our idea would be how we could bring them together to provide mentoring and opportunities to a wider range of disengaged young people?

What is working well, what does a great employer engagement look like?

27. Building relationships with business partners who have a genuine interest in working with young people is key to ThinkForward's success in engaging with employers. We have a dedicated business partnerships manager in each of our three regions who is responsible for mapping and understanding the local labour market and aligning it with the needs of the young people on our programme.
28. From the beginning of the partnership we are clear about expectations and the support we can offer a business to host an activity. We hold regular review meetings for feedback to create trust and to improve the experience for both the business and the young people.
29. Creating and developing effective engagement with business takes time and resources – theirs and ours. For example, in Nottingham we work with a business called SDL. Before holding any activities, we had two meetings to establish what they wanted from a charity partner then a third to discuss what they could offer and when. We started by training staff volunteers to ensure they had a full understanding of our students' needs when they hosted work insight days. Having successfully held several work insights, we had meetings to review how they went and what we could all do differently. SDL also asked what else they could get involved in. They have delivered several career talks in schools, want to host work experience and have offered their business volunteers to support our ThinkForward team.
30. Dudley College – a Grade 1 FE college is building a curriculum around the regional labour market with joint investment from leading sector employers. They map the curriculum to the local and regional labour market and work closely at LEP and sub regional level to ensure the employer engagement offer is mapped directly to the post-16 education offer.
31. The EY Our Future (Level 1 and 2) and Smart Futures (Level 3) are gold standard programmes that support young people's engagement with employers. Both focus on disadvantaged young people – you need to be on Free School Meals to apply. The programmes include paid work placements and participants get a broad range of experience and the opportunity develop employability skills.
32. Competition for places is intense and ThinkForward has a vital role to play supporting our young people to apply, with lots of work going into their applications. Schools generally do not have the resources to help students in this way. So, there is a gap for disadvantaged young people who don't have additional input from an organisation like ThinkForward to help them get onto this programme, and others like it.

33. In Kent, ThinkForward has a very successful relationship with Cook Food. They have a strong social engagement ethos embedded in their DNA and are very thoughtful partners. They have the skills and experience to tailor work insight events to make them relevant and meaningful to our young people. Cook work collaboratively with ThinkForward on business mentoring and to provide insight days.

What could be done at a local and national level to support employers?

34. A UK wide youth employment strategy with coordinating structures through each regional LEP.
35. A requirement on all LEPs to develop a youth employment strand.
36. Statutory funded education organisations to develop appropriate curriculums to match the local and regional labour market with a key employer attached to each institution (the Dudley model could work in every region).
37. Strategic engagement between existing planning/funding structures and the LEP in each area (where they exist).
38. A requirement for levy paying employers to use a percentage of their apprenticeship levy on new entrants to the labour market (young people) and on appropriate apprenticeship levels. Currently, too many levy funds are being used on developing higher level skills for existing staff. This has the potential to freeze young people out of the apprenticeship market at lower levels.
39. A local/national work insight/work experience database that complements the apprenticeship database would be a great support to employers. If there was a 'one stop shop' where they could advertise their offer and availability and receive and manage applications, there would be a more joined up approach.
40. The key benefit to having this type of system would be the reporting element of it. Having a central point where information can be tracked and monitored would provide a much more accurate picture of the reality of what business is offering nationally.

UKHospitality

What are the asks of government on employers regarding youth employment, are these appropriate, is there a strategic view across government of managing the expectation, supply and demand?

The Government has made a conscious effort to align education policy with efforts to increase participation in apprenticeship schemes. There has been a clear effort to promote careers at a young age which has a significant benefit for our sector.

The Apprenticeship levy is currently the primary vehicle for provision of apprenticeships. UKHospitality believes that some reform of this levy is necessary, however it should receive credit for sparking an interest in skills and labour. For the sector, the levy has the potential to be extremely positive but does require some tweaking to ensure that it is effective. From May 2017 one of the more important rules relating to apprenticeship standards was requirement for schemes to provide 20% of training off the job. This is not particularly suitable within our sector. Most of the training in hospitality is done on the job and therefore having to spent 20% of time away from learning the vital skills is counterintuitive. For SME's this would prove challenging when filling their staffing requirements. There are also practical issues such as transport problems if operators are rural and the higher education establishment is located a significant distance away. UKHospitality supports more interaction between business, Government and local authorities regarding how levy funding is spent, particularly in relation to off the job training. One of the recommendations from 2018's Workforce Commission suggested that the 20% off-the-job training and development could be split between the employer's and the apprentice's own time. This would reduce the cost for employers while allowing apprentices to take further responsibility for their learning. It would also provide the greater flexibility required by SME's on the costs of apprenticeships.

In the Hospitality Sector, seven specific apprenticeship standards have been created and many more are used for the diverse roles available in the sector. These apprenticeships have been designed to work across the sector allowing organisations to incorporate them into their businesses while ensuring that they meet a national standard. The types of apprenticeship offered aim to cater to the needs of all businesses within the wide-ranging sector. Starting at Level 2, intermediate diplomas cover all the basic craft skills our industry needs. Level 3 advanced diplomas are for higher skill levels or first line supervisory management. Level 4 and 5 management are equal to a HNC and HND, whereas apprenticeship degrees and Level 6 and 7 senior management diplomas are equivalent to a degree. We welcome Government efforts to push a parity of esteem between degrees and apprenticeships and hope to see this continue.

From September 2020 the Government has committed to rolling out T-Level courses, which will follow GCSEs and will be equivalent to 3 A Levels. These 2-year courses have been developed in collaboration with employers and businesses so that the content meets the needs of industry and prepares students for work. UKHospitality supports the introduction of T-levels and believes that they have a critical role to play in delivering vocational skills. We welcome the Government's commitment to bring this forward quickly.

Are schools, colleges and youth organisations able to manage the supply and demand needs they have?

The Hospitality sector needs a supply of new enthusiastic workers to its workforce. It is likely that the sector will have some work shortages in certain roles in the future. Attracting apprentices in to the sector is key in terms of addressing this shortage and any future skills gap.

What are the challenges and opportunities of relying on the businesses community to fill some of these gaps?

UKHospitality believes that the sector offers great opportunities for advancement through training schemes, real life experiences and providing transferable skills. It is essential that the sector is ‘upskilled’ and presented as a great, flexible career for young people. With regards to levy funding it is important to ensure that there is better communication between the Government, local authorities and businesses to ensure that funding addresses the specific need of different sectors.

An area that we would like to see improve is more willingness from schools and colleges to put apprentices in pubs. We believe that pubs offer great real-life experiences for young employees and that the training done to be successful within pub jobs is transferable to other professions.

What is working well, what does a great employer look like?

A great employer is one that provides apprentices with a structured placement scheme that enables them to grow within a profession. It is also imperative employers provide sufficient access to mentoring and to relevant job training. UKHospitality fully endorses its members creating youth friendly employee schemes and the sector as a whole is working on a broad plan to put this into place.

Seeing the desire from membership for hospitality focused schemes, UKHospitality launched the UKHospitality Academy. This programme aims to provide the ‘gold standard’ of learning in line with a wide range of apprenticeship standards, funded either through the apprenticeship levy or subsidised by the government. The Academy tailors learning for the employer to meet the needs of their business, while ensuring transferability of skills to equip learners for work across the sector. The UKH academy comprises of eight diplomas, each made up of an apprenticeship delivered by HIT Training and a suite of relevant enrichment short courses delivered by CPL Training Group. The different levels of diplomas aim to cover all of the needs of the sector from basic craft skills to higher level apprenticeships and senior management diplomas that are the equivalent of a degree.

What could be done at a local and national level to support employers?

UKHospitality supports reform to the apprenticeship levy to make it more suited to the sector. Specifically, we would like to see more flexibility in the levy spending and changes to on the work training requirements. We would like to see the Government work on targeting skill shortages and increasing apprenticeship placements within sector areas of need.

At a local level we encourage partnerships between businesses and Local Authority's to ensure the appropriate funding for programmes. This is particularly important with levy funding. A multi actor approach would ensure that the interests of all sides were appropriately listened to and legislated for.

In terms of sector recruitment, the Governments approach to immigration outlined in the recent white paper will pose significant the sector challenges. The imposition of a salary cap at £30,000 will likely devastating to recruitment in the short- to medium-term. More domestic workers will be required to fill the gap and having an adequate flow of apprentices would be a good way to mitigate shortages. UKHospitality needs central and local Government support to help upskill the sector to promote it as an attractive destination which provides good prospects for career advancement.