

All-Party Parliamentary Group for  
Youth Employment Report



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# Making Youth Employment Policy Work

September 2020 - December 2020



# Foreword

It has been an honor to Chair the All-Party Parliamentary Group for Youth Employment and a privilege to write the foreword to our first report in this Parliamentary session for our inquiry 'Making Youth Employment Policy Work'. It would be remiss of me not to place on record my heartfelt thanks to Laura-Jane Rawlings and Josh Adcock at Youth Employment UK, whom without their tireless support and expertise this APPG would cease to function as well as it does.

Clearly these past 12 months have been very different to how we imagined they might go, and certainly very different to when we established this inquiry but I am pleased to say we have adapted with the times and that our inquiry looks at the challenges and pressures facing young people as they enter employment in light of the Coronavirus pandemic.

I am encouraged at the Plan for Jobs that the Government has in place and look forward to presenting the further recommendations this report highlights to provide that wrap around level of cover for every young person out there. In addition, the "Youth Hubs", that I have personally championed, will be a fantastic project – but they will only work if managed well locally and if they become a one stop shop for our young people to help them, not only just get into employment, but with anything they may need to help them on their way.

This inquiry has been challenging, not just because it has been conducted virtually in light of Coronavirus, but in it's remit of whether Youth Employment policy is doing enough. We have heard from a great many experiences and knowledgeable witnesses for whom I am grateful and who's statements have no doubt helped shape this report. We have received detailed, fulsome and insightful submissions of written evidence (in the appendices) and we have heard from, in my opinion the most important evidence, our Youth Ambassadors who have given a real clarity on what is affecting our youth, their chances of progressing to education or employment and what they want from us as legislators, Government and professionals.

To all the people who have contributed to this inquiry and this report may I thank you.

I look forward to presenting this report to the Minister and welcoming their feedback.

**James Daly MP**  
**Chair of the APPG for Youth Employment**



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



# Executive Summary

The All-Party Parliamentary Group for Youth Employment held an inquiry into youth employment policy in a year that has been an extraordinary challenge for all. The labour market challenges of 2020 are a direct result of the health crisis brought on by the Covid-19 pandemic. This inquiry, 'Making Youth Employment Policy Work', has placed particular importance on assessing the upscaled existing and new youth employment policies in the Plan for Jobs; providing constructive feedback based on the evidence of expert speakers, written submissions and young people.

Expert speakers were invited to meetings held in September and October 2020 whilst organisations and individuals were encouraged to submit written evidence. This inquiry received oral evidence from four expert speakers, young people and employers, and 8 written submissions.

The APPG for Youth Employment has found:

- Pre-existing barriers and new causes for concern have been exacerbated by the Covid-19 crisis, resulting in a large-scale youth (un)employment challenge facing the UK.
- The true nature and timescale of these challenges may not be revealed for some years; the previous recession of 2008 did not see the not in employment, education or training (NEET) figures peak until 2011.
- Those from disadvantaged backgrounds as well as those with existing barriers, particularly those with additional needs, disabilities and other protected characteristics, will need additional support to participate and benefit from the Plan for Jobs.
- The need for quality opportunities to be created not just in the short term but as standard going forward. The nature of youth employment in the current labour market is precarious and low quality which leaves it vulnerable to crises such as Covid-19

In June 2020 the Prime Minister announced an Opportunity Guarantee for every young person in the country to access an apprenticeship or an in-work placement if they have lost their job. This alongside the Plan for Jobs announced by the Chancellor in July 2020, displays the ambition of the Government to ensure the Covid-19 crisis does not leave young people behind in the labour market.

Young people were already facing significant barriers to employment before the pandemic, which have been further exposed and exacerbated since. With more focus and ambition the Government could stop the number of NEET young people rising to the levels seen in the last economic crisis.

Based on the oral and written evidence heard in this inquiry, the APPG for Youth Employment is making the following recommendations to government:

### **A joined up approach to education, training and employment**

- A full Young Person's Strategy should be developed and invested in. This strategy should be co-led by the Department for Work and Pensions, Department for Education and should include support from other Departments such as Business, Energy and Industrial Strategy (BEIS), Culture, Media Sport (DCMS) and Housing, Communities and Local Government (DHCLG). This cross-departmental working would create an assurance that the journey for young people was well connected and appropriately funded.
- Consult young people on the development and delivery of a Young Person's Strategy and ensure that their voices are embedded across all policy areas that directly impact them.
- Efforts to support young people at a local level should be focused through Youth Hubs including economic, training, education, careers and employment policy. Youth Hubs provide a key opportunity to bring a cross-department approach into practice at a local level.
- The government should design more accurate and robust means of measuring the activity and progress of young people, including but not limited to the development of a "Youth Productivity Index".
- The monitoring and reporting of data around engagement, attainment and progress of young people with disabilities, those from Black, Asian and other minority groups, young care leavers and others with protected characteristics should be a requirement of all government invested programmes.
- The government should build and utilise evidence of "what works" for supporting young people into employment – ensuring that policy leads and commissioning services are using evidence based policy in their development and funding models.

### **Education to Employment Transition**

- Ensure that there are quality education and training opportunities based on skill demands and future job needs analysis available to all young people where they live. The marker of quality should include the quality of outcomes and participant feedback.
- Financial barriers that prohibit young people from choosing and or completing education and training options need to be addressed and appropriate funding mechanisms put in place to ensure that financial disadvantage does not continue to prohibit progress.
- Review the education, training and support options for 16 & 17 year olds to ensure they are fit for purpose and that they engage young people to participate and not fall through the cracks. Exploring opening the Adult Education Budget funding to this cohort.

- Increase investment and prioritisation of careers education, skill development, and impartial advice and guidance for young people during their time in education to include full and part-time education, college, university, and within traineeships and apprenticeships. To also ensure quality support is also available to those young people who are transitioning, or have become NEET.
- Review employer incentives and contributions across Kickstart, traineeship and apprenticeship policy. Ensuring that policy areas do not compete and that employers are appropriately incentivised to create sustainable and high quality employment opportunities for all young people. The path from Kickstart to traineeship and apprenticeship must be clear for the employer and the young employee with funding appropriately allocated through that journey.
- Update the Apprenticeship Levy policy to focus and incentivise the creation of employment and training opportunities for 16-24 year olds, ensuring that there is a pathway from entry level to higher level training for young people to scale.
- Provide levy paying employers with further flexibility to allow them to use the levy to support pre-apprenticeship training or to be able to transfer more of their allowance.
- Scrap the Small, Medium Enterprise (SME) apprenticeship contribution to allow SMEs to benefit from apprenticeships.
- Ensure employers benefitting from incentives are working towards the principles of Good Youth Employment and providing quality opportunities with a focus on fair pay, quality experience and personal development.
- Set ambitious targets for the public sector on Kickstart, traineeships, supported internships and apprenticeship starts, particularly for those young people who face multiple barriers to employment.

### **Support for young people not in education, employment or training**

- Ensure young people are benefiting from personalised and holistic support, with particular focus on those young people who have experienced 6 months or more NEET and those young people most at risk from long-term unemployment.
- Provide further quality assurance checks and support to employers and gateway organisations to ensure that the Kickstart wraparound support meets the needs of the individual and will allow them to positively progress into education, employment or training.
- Extend the Kickstart programme to ensure that it is available for young people whilst youth unemployment numbers are rising. In addition extend its availability to young people who are not claiming universal credit but have been NEET for 6 months or more.
- Monitor the regional availability of into work programmes including sector based work academies, kickstart, traineeships and apprenticeships with particular focus on closing any regional gaps in provision.

# Introduction

The All-Party Parliamentary Group for Youth Employment was created in 2014 and exists to promote youth employment in all its forms and the vital role of young people within the economy; to ensure young people's voices are heard; to highlight the need for quality opportunities; and to share best practice. The APPG for Youth Employment, and this report, defines 'young people' and 'youth' as those aged 16-24 years old.

Youth unemployment is a consistent and stubborn problem in the UK, in recent years this problem can be traced to 2004/05. Despite this, between 2002-2008 the proportion of young NEET remained steady yet still undesirable. Following this period the number of NEET young people peaked in 2011 with over 1 million. Since then, youth unemployment has fluctuated and the quality and precariousness (low paid, insecure and unprotected work) of work has drastically increased.

The number of NEET young people had fallen to roughly 750,000 before the Covid-19 crisis began.

Young people have been disproportionately affected by the impacts of Covid-19 on the labour market and previous issues surrounding precarious and poor quality employment for young people have been exposed. The Office for National Statistics (ONS) publishes monthly employment figures that paint a grim picture for young people. The latest labour market figures below for 16-24 year olds, released in December 2020, strongly suggests young people are more likely to have been furloughed or fallen out of employment; unemployment has risen by 123,616 over the last year, employment has fallen by 244,428 over the last year, and those claiming employment related benefits (of which they historically do not usually claim) has risen from 283,778 to 516,789 over the course of the year. This translates to a youth unemployment rate of 14.5%.

Quarterly NEET data released by the ONS in November indicates that 45% of the 757,000 NEET young people are available and looking for work and are therefore unemployed; however this figure excludes those who are in precarious and part time work. It is now expected that the number of young people not in full-time education, employment or training has risen above 1 million once more and the statistics do not reflect the true nature of the youth labour market.

This inquiry sought to explore whether the government's key youth employment policy would be able to support the scale of the youth unemployment challenge brought on by Covid-19. It asked experts across the youth employment space to comment on their experiences, the challenges and potential gaps in policy.



Expert speakers were asked to give verbal evidence to inquiry sessions, speakers included; Tony Wilson Director of the Institute of Employment Studies; Samantha Windett Director of Policy at Impetus; Anna Smee, CEO of Youth Futures Foundation and Tudor Price, Deputy CEO Kent Invicta Chamber of Commerce. A number of young people who are experiencing the issues of youth unemployment directly also attended sessions to give their own evidence

Alongside the expert speakers was an invitation to give written evidence to the inquiry, the written submissions were asked to focus on 3 questions:

- Are the summer's announcements Plan For Jobs ambitious enough to address the youth unemployment challenge?
- Are there gaps and tensions that may cause a rise in further inequalities amongst groups of young people such as those furthest from the labour market?
- What more needs to be done to accelerate impact and ensure no young person is left behind?

This report brings together the written and verbal evidence presented to the APPG for Youth Employment with the APPG's own recommendations to the government.

## New and Existing Youth Employment Policy

The Plan for Jobs was announced on the 8th July 2020, 4-5 months into the pandemic as the economic impacts were becoming apparent. This section of the report highlights which areas are new policies and programmes, and those that already exist and have been renewed and upscaled.

### **New youth employment policies and support**

#### Kickstart Scheme

A £2 billion funding scheme for employers to create job placements for 16-24 year olds on Universal Credit, those particularly at risk of becoming long-term unemployed. The funding covers; 100% of the National Minimum Wage for 25 hours per week, lasting for a total of 6 months; employer National Insurance contributions and employer minimum automatic enrolment (pension) contributions.

#### Job Retention Bonus

A £1000 one-off taxable payment for employers that had placed an eligible employee on the Coronavirus Job Retention Scheme (CJRS) and who remains continuously employed after its closure in October 2020. However the CJRS was first extended until December 2020, and then to April 2021



pending review in January 2021. The Job Retention Bonus has now been scrapped with a new incentive scheme set to take its place at the right time.

## Youth Hubs

A project in progress led by the Department for Work and Pensions (DWP) to set up co-located employment services; where young people can go to access all the support under one roof, with the aim to engage the most at-risk and disadvantaged young people furthest from the labour market.

## Existing youth employment policies and support

£1.6 billion has been announced towards upscaling employment support schemes, training and apprenticeships to help young people looking for a job:

£2000 will be given to businesses hiring new apprentices under the age of 25. This will be in addition to the existing £1000 payment given for 16-18 year old apprentices, and those under 25 with an Education, Health and Care Plan.

£111million to triple the number of traineeships in 2020-21, increasing access to high quality training. £1000 funding will be available for each new trainee.

£17million for sector-based work academy placements in 2020-21, lasting for 13 weeks.

£900million to double the number of work coaches to 27,000.

£32million investment in the National Careers Service, aiming to reach an additional 250,000 young people.

£150million increase to the Flexible Support Fund.

# Meeting Overview

All meetings in this inquiry took place remotely due to the ongoing Coronavirus pandemic; our hosts, guests, speakers and attendees signed up to Zoom meetings and were able to participate via video and audio link.

## Meeting 1

The ONS data released in September shows the scale of the problem facing young people; 16-24 year olds labour market data: 3.6 million employed, 52.9% employment rate. This has fallen by 156,000 over the last quarter and 153,000 in the year.

Chair James Daly MP opened; “We need to create a situation where every young person - no matter their background, whether they have learning difficulties or other barriers - has an equal chance and quality of opportunity. We as a parliament need to ensure that young people are top of the agenda and getting them into employment, education or training so they can achieve what they want to in life.”

Our guest speakers were Tony Wilson, Director of the Institute for Employment Studies and Samantha Windett, Director of Policy at Impetus.

Tony Wilson explained the labour market context for young people, the government response so far and some of the challenges and opportunities we may face in the years ahead.

Young People are facing four main challenges over the next year:

1. Youth labour market participation has been severely impacted; the number of NEET young people is at its highest since 2015; the claimant count has doubled to nearly 500,000 - 1 in 15 to 1 in 7 in the space of four months
2. Young people are more likely to work in shutdown sectors and are more likely to have been furloughed; 1.9 million (out of 4 million) young employees were furloughed. This reflects the precariousness of youth employment.
3. Slowdown in hiring; vacancies are below historic levels which may lead to a slow accumulation of youth unemployment over a number of years and this cohort is at an increased risk of long-term unemployment.
4. The impact on education; most have seen a break in the learning; those leaving education this summer will see their grades, and the way employers view them, impacted; and most will not have received usual careers advice. Some will have their hand forced into staying in education longer, a second choice for most and learning may be less productive due to remote nature and the digital divide.

## The Government Response so far

- The Plan for Jobs announcement is greatly welcomed; particularly the funding for work coaches who are amongst the best employment advisors available. The sometimes punitive nature of conditionality around benefits is something that must be addressed.
- The commitment to create Youth Hubs is another positive; it will be vital that local government, the voluntary and community sector, colleges, careers service and others work together to build the capacity for a “no wrong doors system” for those on or off benefits.
- The investment in sector-based work place academies is a short, light touch aspect with a proven record of working and will have a positive impact.
- The Kickstart Scheme learns from the good practices of the Future Jobs Fund and the creation of intermediate labour markets; the creation of transitional jobs for disadvantaged groups in order to give the skills, confidence, motivation, networks and experience to then find a permanent job. They must be targeted at disadvantaged groups, must be additional and not subsidise jobs that would otherwise have been created. They must be focussed on quality and there must be support at the end of the scheme for individuals using the scheme.

Samantha Windett provided her expert insight into the problems young people face, the Youth Gap research at Impetus and an overview of the Youth Employment Group Recommendations.

## The Youth Gap Research

A set of 9 reports over a year that helped to establish the employment gap between disadvantaged young people and their better off peers. Evidence shows that before the Covid-19 crisis, disadvantaged young people are twice as likely to be NEET. This is likely to be widened with the changes we are seeing in youth employment now.

## Youth Employment Group recommendations

Secretariat: Impetus, Youth Employment UK, The Institute for Employment Studies, The Prince’s Trust and Youth Futures Foundation.

Members: over 165 colleges, employers, universities, charities, local authorities and others with the aim of bringing research together from different sectors.

Subgroups were created to ensure young people would not be the most impacted in the labour market:

1. The immediate labour market impacts
2. Employability support during lockdown
3. A support system after lockdown
4. Ensuring a healthy labour market
5. Ensuring self employment as a viable option
6. Ensuring the most accurate and efficient data informs our work.

Recommendations published on 21/09/2020, a brief overview:

- What offer is really needed; high quality, training education or placement or offer of employment
- Ensure the youth hubs are national and local -expanding to all young people, not just those not just those young people who are not involved with the Jobcentre Plus (JCP) or Universal Credit.
- Wrap-around support for the schemes -they need to lead to sustained employment, not just 6 months of work.
- Recommendations toward targeting apprenticeship -changes to the apprenticeship levy, that was designed in a very different labour market.
- Careers advice, information and guidance and supporting self employment.
- Finally, how do we measure this -how do we set a target for the Government to meet? What does good look like? We need to understand what works.
- In order to reduce the NEET rate to pre-crisis levels by this time next year an additional 1000 opportunities must be created every day.

Youth Employment UK Youth Ambassadors shared their thoughts on the content of the meeting and what they would like to see from Government:

“For me it's about what comes after the programme. I don't want to be pessimistic but how do I know after Covid-19 that the government is really going to be on top of this once the programme ends and the years to come after Covid-19? Young people shouldn't have to rely on their own luck and fortune to get where they want to be.” Ciara O'Donnell

“Keeping that support going and not just dropping young people once they have been through these schemes. What support will be there for people like me who are half way through their university degree -what support is going to be there in one or two years time?” Cerys Welch

“There is a point to be said about young people , good talent, that are having to stay in education or find themselves in job losses. These young people already don't know what to do in life, the current times are an added uncertainty. Where do young people go to find support?” Patrick Cantellow

“ I would just say the holistic approach to support that has been mentioned in other sessions, that there are other factors at play that lead to unemployment or arise during it.” Sophie Wheeler

“There are so many young people affected at different stages of their journey in education or to employment, it is going to be really hard to put a finger on how to help each cohort. It comes back to being kept informed, knowing where to turn to and what support can be accessed.” Laurence Griffin

## Meeting 2

As with the first meeting, the second meeting began with an overview of the ONS Labour Market Overview for November. The statistics for 16-24 year olds were not released in November as changes in the methodology and weighting made tracking youth employment figures increasingly difficult -what had been reported through the month was that 60% of those who had fallen out of employment since the beginning of the pandemic were young people, and an increase in the number of young people claiming employment related benefits.

Our guest speakers were Anna Smee, CEO Youth Futures Foundation and Tudor Price, Deputy CEO Kent Invicta Chamber of Commerce.

Anna Smee began with an overview of the Plan for Job, offering her insight and assessment on what had been done well, where elements could be improved and stressed the importance of good youth employment practice, based on the 'evidence of what works'.

### The Successes

- The increased access to work coaches, sector based academies and National Careers Service.
- The potential of Kickstarts impacts on those from disadvantaged backgrounds, if delivered well.
- Youth Hubs potential placing work coaches in the local community and increasing contact and access to the JCP services.
- The revived focus on apprenticeships may go towards addressing the 70% fall in 16-18 year olds, 50% for 19-24 year olds, apprenticeship starters.
- Traineeships are a good example of policies focused on 'evidence of what works'.

### The Improvements

- More awareness of the size and timescale of the youth employment crisis: youth unemployment did not peak until 2011/2012 after the 2008 crisis. Therefore support needs to last longer than one year.
- Ensure policies do not duplicate, but build upon existing knowledge; voluntary sectors and Small and Medium Enterprises (SMEs).
- Greater focus on employers; reducing the costs of hiring young people, focusing apprenticeships on unemployed young people and reviewing the Apprenticeships Levy, good quality pre-employment/employment opportunities underpinned by the Good Youth Employment Charter.
- Greater transparency around hiring and letting go to combat discrimination, particularly against those with protected characteristics and race.
- Greater targeting for the Kickstart Scheme; less focus on being work ready; in areas where there are not quality or a number of opportunities.
- More understanding of a young person's journey.

Our second guest speaker, Tudor Price, introduced the work of Kent Incivtia during the pandemic and their role as a Gateway organisation, offering expert insight into what this means for a vast number of businesses, particularly SMEs; the challenges that are emerging for businesses and insuring the Kickstart placements are as high quality as possible.

#### Thoughts on Kickstart as a Gateway Organisation

- The professional development aspect has been done very well, and it is vital the focus remains on doing the right thing by young people.
- The funding offer caught the attention of employers with over 1000 placement applications arriving in the first few weeks, however the specific criteria may see a significant withdrawal of those
- Much of the focus for SMEs in Kent are on ways to retain furloughed staff and minimise redundancies.

#### Challenges emerging

- The size of businesses and number of employers have a profound impact on how employers engage; resources and time is tight, only exacerbated by the economic consequences of the pandemic
- Local businesses feel letting current employees go will force them onto Universal Credit whilst Kickstart placements will mean hiring a young person on Universal Credit.
- Some employers are concerned that those closest to employment will be pushed to the back of the queue.
- Gateways need to take on the moral obligation of ensuring young people are receiving real, quality work skills development, whilst the young people and employers are protected.
- Relying upon business altruism and good will when they are just hanging on financially is a big ask; some businesses would like to see funding increased to alleviate these pressures.

One of Youth Employment UK's Youth Ambassadors imparted their thoughts and experiences on some of the issues raised:

“As a disadvantaged young person at university, these statistics and news headlines telling me that young people are the worst hit really affects my feelings around my job prospects. I am studying and working full-time as these are the opportunities available near me right now, but my work is only temporary until January” Amran Hassan

# Inquiry Response Overview

This inquiry had 8 responses from; Fleur Anderson MP, external organisations and individuals with experience, expertise and knowledge of working with the employment support sector. These include Youth Employment UK, Career Connect, Youth Futures Foundation, British Association of Supported Employment, The Careers and Enterprise Company, the Health Foundation and RAW Digital.

Those that submitted evidence noted that rising youth unemployment is a significant effect of the Covid-19 crisis and will be more prominent for those from a disadvantaged background, have protected characteristics or are transitioning from education to employment.

*“... too few people with a learning disability (17% or 5.9% for people known to social care), autism (16%) or using secondary mental health services (8%) are in paid employment... Our submission focuses on these three cohorts of young people as they are most at risk of ongoing economic exclusion as a result of the Coronavirus pandemic.”* **British Association for Supported Employment**

Generally the Government's work is viewed as positive but many responses pointed out improvements that should be made to make the Plan for Jobs a success in an increasingly difficult labour market.

*“a positive first step in addressing what is likely to be the most challenging job market for young people since the 1980’s”* **Career Connect**

*“The government’s work is viewed positively, but needs to go further if it is to reach the young people most in need and if it is to provide long term support for those who need it.”* **Roundtable Chaired by Fleur Anderson MP**

All responses are recorded in the appendices, the consistent suggestions were:

The focus on the Kickstart Scheme centered around the need for quality assurance of placements, increased targeting for the most disadvantaged and those with protected characteristics; adjustments to the eligibility criteria; localised partnership; increased length of the programme; Equality Impact Assessment; and ‘post-Kickstart’ support and tracking.

*“Kickstart has considerable potential as a scheme to tackle youth unemployment. However, it needs to be targeted at the most disadvantaged young people and the most disadvantaged parts of the country.”* **Youth Futures Foundation**

Feedback concerning Youth Hubs suggested they need to be a ‘one-stop shop’ for young people; cross-department funded; increased focus on those furthest away from the labour market, the most disadvantaged and those with protected characteristics.



Responses on apprenticeships called for extensions to the grants; changes to the Apprenticeship Levy; increased funding for those wishing to uptake an apprenticeship;

Good quality, localised careers education, both in person and in a remote setting, is vital in supporting young people in this employment crisis; one-to-one's for young people, clearer employment pathways; and relevant, local careers information.

*Good careers education remains absolutely critical to support young people during this period to ensure they, as well as their parents, teachers and guardians, are aware of the full range of options available and that young people are helped to make informed choices. Careers education, including crucial touchpoints with employers, also helps young people to develop the career readiness, resilience, and employability skills to help their preparedness for work.”* **Careers and Enterprise Company**

In terms of training, mentoring and education there should be additional support towards those wishing to set up a business; creation of a funding structure for bite size training and education for those unable to commit to a 2 year programme/courses; and opening the Adult Education Budget to 16-18 year olds.

*“Those aged 16-18 get a raw deal when it comes to accessing the vast majority of skills provision available in local areas.”* **Joanna Wake, RAW Digital Training**

Other crucial aspects of submission highlighted the competing nature of some of the initiatives which may hinder their effectiveness; focus on those with disability across all aspects of the plan for jobs with additional disability awareness training and employment support; and to address the unevenness of impact on certain cohorts of young people -those with disabilities and racial, class and gender inequalities.

*“[Health Foundation](#) analysis further highlights that some groups of young people have been more affected by the economic crisis than others. Young people with the lowest household income were the most likely to have lost employment or have had their hours cut at 8%. We also found that young people from a minority ethnic background are twice as likely to be no longer working or had hours cut since lockdown than their peers at 13.9%.”* **The Health Foundation**

# Conclusions and Recommendations

This inquiry has identified the scale of the youth (un)employment challenges that have been exacerbated by the Covid-19 crisis, highlighting pre-existing barriers and the new causes for concern. It goes further to stress the timescale of these challenges and that the true nature and scale will may not be revealed for some years.

This inquiry is keen to highlight those from disadvantaged backgrounds as well as those with existing barriers, particularly those with additional needs, disabilities and other protected characteristics that will need additional support to participate and benefit from the Plan for Jobs. There are many barriers for these young people that include socio-economic (financial hardship, digital exclusion, lack of or affordability of transport), educational and employment (experience and opportunities) and inequalities and discriminatory (disability, race/gender and class).

The youth employment crisis can not be solved by the Government alone, nor should we expect it to -it will require the cooperation between local and national government, education and training providers, employers, careers education support, charities and the third sector. The formation of the Youth Employment Group, participants in the APPG for Youth Employment meetings and range of responses in this inquiry underlines the desire, ability and readiness for those mentioned above to work together.

A focal point of this inquiry is the need for quality opportunities to be created not just in the short term but as standard going forward. The nature of youth employment in the current labour market is precarious and low quality which leaves it vulnerable to crises such as the 2008 crash and Covid-19.

## Recommendations

The Plan for Jobs has widely been accepted as a good foundation to build upon; with more focus and ambition the employment policies and programmes could reach those who need it most and alleviate the current pressure on the labour market as a result of the Covid-19 crisis. Clarity on what youth employment policies beyond the Plan for Jobs will look like is needed alongside an 'evidence of what works database' that tracks the progress of participants.

### A joined up approach to education, training and employment

- A full Young Person's Strategy should be developed and invested in. This strategy should be co-led by the Department for Work and Pensions, Department for Education and should include support from other Departments such as Business, Energy and Industrial Strategy (BEIS), Culture, Media Sport (DCMS) and Housing, Communities and Local Government (DHCLG). This cross-departmental working would create an assurance that the journey for young people was well connected and appropriately funded.
- Consult young people on the development and delivery of a Young Person's Strategy and ensure that their voices are embedded across all policy areas that directly impact them.

- Efforts to support young people at a local level should be focused through Youth Hubs including economic, training, education, careers and employment policy. Youth Hubs provide a key opportunity to bring a cross-department approach into practice at a local level.
- The government should design more accurate and robust means of measuring the activity and progress of young people, including but not limited to the development of a “Youth Productivity Index”.
- The monitoring and reporting of data around engagement, attainment and progress of young people with disabilities, those from Black, Asian and other minority groups, young care leavers and others with protected characteristics should be a requirement of all government invested programmes.
- The government should build and utilise evidence of “what works” for supporting young people into employment – ensuring that policy leads and commissioning services are using evidence based policy in their development and funding models.

### **Education to Employment Transition**

- Ensure that there are quality education and training opportunities based on skill demands and future job needs analysis available to all young people where they live. The marker of quality should include the quality of outcomes and participant feedback.
- Financial barriers that prohibit young people from choosing and or completing education and training options need to be addressed and appropriate funding mechanisms put in place to ensure that financial disadvantage does not continue to prohibit progress.
- Review the education, training and support options for 16 & 17 year olds to ensure they are fit for purpose and that they engage young people to participate and not fall through the cracks. Exploring opening the Adult Education Budget funding to this cohort.
- Increase investment and prioritisation of careers education, skill development, and impartial advice and guidance for young people during their time in education to include full and part-time education, college, university, and within traineeships and apprenticeships. To also ensure quality support is also available to those young people who are transitioning, or have become NEET.
- Review employer incentives and contributions across Kickstart, traineeship and apprenticeship policy. Ensuring that policy areas do not compete and that employers are appropriately incentivised to create sustainable and high quality employment opportunities for all young people. The path from Kickstart to traineeship and apprenticeship must be clear for the employer and the young employee with funding appropriately allocated through that journey.
- Update the Apprenticeship Levy policy to focus and incentivise the creation of employment and training opportunities for 16-24 year olds, ensuring that there is a pathway from entry level to higher level training for young people to scale.

- Provide levy paying employers with further flexibility to allow them to use the levy to support pre-apprenticeship training or to be able to transfer more of their allowance.
- Scrap the Small, Medium Enterprise (SME) apprenticeship contribution to allow SMEs to benefit from apprenticeships.
- Ensure employers benefitting from incentives are working towards the principles of Good Youth Employment and providing quality opportunities with a focus on fair pay, quality experience and personal development.
- Set ambitious targets for the public sector on Kickstart, traineeships, supported internships and apprenticeship starts, particularly for those young people who face multiple barriers to employment.

### **Support for young people not in education, employment or training**

- Ensure young people are benefiting from personalised and holistic support, with particular focus on those young people who have experienced 6 months or more NEET and those young people most at risk from long-term unemployment.
- Provide further quality assurance checks and support to employers and gateway organisations to ensure that the Kickstart wraparound support meets the needs of the individual and will allow them to positively progress into education, employment or training.
- Extend the Kickstart programme to ensure that it is available for young people whilst youth unemployment numbers are rising. In addition extend its availability to young people who are not claiming universal credit but have been NEET for 6 months or more.
- Monitor the regional availability of into work programmes including sector based work academies, kickstart, traineeships and apprenticeships with particular focus on closing any regional gaps in provision.

# Appendices: Written Evidence

## Appendix i - Youth Employment Roundtable (Chair Fleur Anderson MP)

### Experiences from Putney, Roehampton and Southfields

Following a roundtable discussion on youth employment in Putney, Roehampton and Southfields a number of concerns and suggestions for improvement were raised by stakeholders working to support young people into employment. The government's work is viewed positively, but needs to go further if it is to reach the young people most in need and if it is to provide long term support for those who need it.

### Participants

Regenerate: a community organisation that works with young people in Roehampton. The Feel Good Bakery has just been launched by Regenerate. It's a social enterprise that works with young people who are socially excluded and may have a history of offending to support them into work and to provide jobs.

Wandsworth Workmatch: Wandsworth Council's job brokerage service was set up 7 years ago and has now grown to 30 staff. They work with businesses and employers in Wandsworth to find jobs and support residents into work. The service usually has an outreach element however, it's had to significantly alter its ways of working in light of the pandemic.

South Thames College: a FE college based in Wandsworth. South Thames College is also a Gateway Agency for the Kickstart programme.

Lifeforce CIC: set up by entrepreneurs, Lifeforce CIC aims to provide support and mentorship to bring forward the next generation of entrepreneurs.

### Kickstart Programme

Problems with the gateway system have been reported. The website has incorrect information. The £1500 set up fee may be taken by the gateway provider which would then mean that it may be too expensive for small businesses to take up the offer.

A kickstart plus package would be useful for some young people – with four days in work and one day in college. Linking people into courses requires changes to how they are financed. For many people coming back to education, the idea of a 2-year qualification is too much.

Colleges, as gateway agencies can be well placed to use the £1500 to create a more comprehensive support offer than merely CV guidance.

### Recommendations

- Ensure the Gateway System includes accurate information

- Ensure that small businesses do get access to the £1500 for set up costs
- Develop a kickstart plus programme in partnership with local colleges so that young people can access training

## Youth Hubs

Kickstart should link in strongly with youth hubs. Co-located services can reach young people who are furthest from the labour market. DWP funding for youth hubs is positive – they can be run from high street locations. We'd also like to see virtual youth hubs. Youth hubs can work as a triage service to link people up with information and other services.

### Recommendations

- The government should support youth hubs to be a 'one-stop shop' for young people facing unemployment or struggling to get a foot in the door in the labour market
- The DWP, colleges, local authorities and third sector organisations should work together to create an offer for young people who are furthest from the labour market
- Virtual youth hubs should be created so young people don't miss out on advice and mentoring during the lockdown

## Local Authorities

Local Authorities are facing problems with setting up placements. We need to see clarification on employment status so that councils can create placements – otherwise local government won't be able to end placements after 6 months. For local authorities that are struggling financially creating more permanent jobs is not viable.

### Recommendations

- Government should offer clarification on employment status.
- Government should ensure that kickstart placements are not used to replace permanent staff at a time when local authorities are facing significant budget strain and having to make redundancies.

## Beyond Kickstart

We need to ensure there's a plan for people rolling off the kickstart scheme after 6 months – apprenticeships and traineeships would be ideal here, but people will need good information about routes forward. Employment pathways are a confusing landscape – we need to make it as easy as possible to navigate.

### Recommendations

- High quality information about career pathways should be available to all young people on the kickstart programme
- Apprenticeships and traineeships should be promoted to young people on the kickstart programme

- There should be a named contact responsible for supporting the young person to create a plan for what happens next

## Training

Training and funding are needed to support the growth of jobs in new sectors, in particularly green sectors. For colleges the set-up costs of new qualifications are significant. The government should help with this. In construction, where many kickstart placements are likely to be created, there we need to ensure that training and education means that people are learning the skills needed in the workplace. Kickstart may be useful for people who wish to retrain in a new sector – particularly if it creates jobs in shortage sectors such as health and social care.

We also need to increase opportunities for young people with a passion to get into entrepreneurship. Mentors are crucial for this – we need to ensure that all young people have access to supportive networks to be able to drive a project forward, not just those who already have significant social capital.

## Recommendations

- Government should ensure that the funding structure for qualifications means that people can access training and education in bite size chunks, rather than having to commit to a 2 year programme when this isn't appropriate for them
- Qualifications and kickstart placements should be geared towards emerging sectors and shortage sectors, in particular green jobs and health and social care
- Young people should have access to mentoring to help them set up their own businesses. Colleges should work with small businesses and the third sector to provide this.



## Appendix ii - British Association for Supported Employment

### About us

BASE is a national membership charity covering England, Wales and Scotland. We have 200 organisational members, ranging from national, commercial providers to local, social enterprises, and including 60 local authorities as well as schools, colleges and NHS Trusts.

BASE is the national trade association for the supported employment<sup>1</sup> sector and our purpose is to support, promote and develop the principles and provision of high-quality supported employment services, a model that has proved internationally successful for over 50 years.

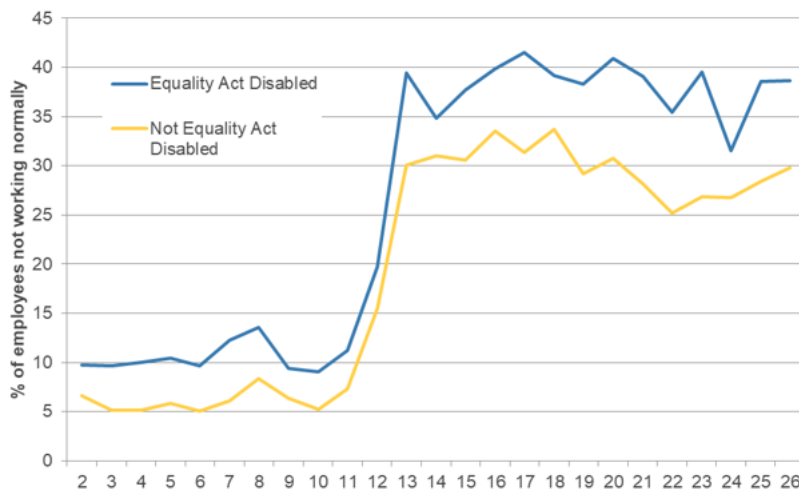
BASE aims to:

- Assist people with disabilities by encouraging the provision of support into employment.
- Endorse & promote quality standards in the delivery of Supported Employment.
- Nurture & encourage the setting up of new supported employment services.
- Promote the training of supported employment personnel throughout the UK.
- Provide regular, detailed information including an advisory & development service to association members.
- Liaise & negotiate with national and international government & non-government organisations to promote the aims of the Association.

### The Education Pathway to Employment

The numbers are well rehearsed. While the overall disability employment rate has improved to 53.2%<sup>2</sup> and the disability employment gap narrowed slightly, too few people with a learning disability (17% or 5.9% for people known to social care), autism (16%) or using secondary mental health services (8%) are in paid employment. It has long been this way – a 2004 report<sup>3</sup> published by Government in 2006 made 42 recommendations as to how this could be achieved for people with a learning disability. Not enough has changed since then. Indeed, the situation may have worsened as resources become tighter and labour markets change. Our submission focuses on these three cohorts of young people as they are most at risk of ongoing economic exclusion as a result of the Coronavirus pandemic.

Proportion of employees not working normally by disability and week, UK



Source: Quarterly Labour Force Surveys, Jan-Jun 2020

There is growing evidence that the pandemic has had a greater impact on disabled people. Labour market analysis by the Institute for Employment Studies has shown the disproportionate effect.

We know that young people are more likely to be working in insecure jobs and working within

sectors that have been hit hardest by the Covid-19 restrictions.

Despite examples of excellent practice, many disabled young people were already being failed by an education system that is unambitious and bureaucratic. Despite support from programmes such as Preparing for Adulthood, too many education providers have low aspirations for their learners and lack the skills to fundamentally improve individual outcomes.

For young people with special educational needs and disabilities (SEND), transition planning is underpinned by an Education Health and Care Plan (EHCP) planning process that has a focus on life outcomes and the support and resources needed to achieve them. It should include detailed vocational profiling<sup>4</sup> from Year 9. EHCPs currently end when the young person leaves education. They should continue to the age of 25 to ensure a successful transition to adult life.

EHCPs have become a gateway to specific employment pathways such as Supported Internships and Inclusive Apprenticeships. These programmes have excellent potential but we have inadequate data about the quality and sustainability of outcomes and DfE is working to improve the quality of data and service provision. There is an increasingly confusing overlap in access to Supported Internships<sup>5</sup>, traineeships and Inclusive Apprenticeships<sup>6</sup> and the danger is that young people have to progress through each in turn to achieve sustainable work. Supported Internships were designed as a direct route to paid employment; an alternative to apprenticeships, not an additional route to apprenticeships.

Stronger guidance is needed from the Department for Education about what constitutes a Supported Internship. We recommend a minimum number of 20 hours of workplace learning per week. Providers should have to complete data returns specifying outcomes and sustainability for up to two years. Sustainability will be improved by developing stronger links between education providers and specialist adult Supported Employment services. At the moment, we have no idea whether an employed intern loses their job within a few months. One proposal might be for local authorities to provide and manage the job coaching support to each educational establishment in their area. This might help the exchange of best practice, improve the sustainability of outcomes and provide the time-unlimited support that employers value.

Some providers market Supported Internships as a work experience programme – it isn't. It's a route to paid work and this means that learners have to be ready to undertake them. They should be seen as an exit from education following a carefully planned 3-year pathway of careers guidance, work sampling, and more focused work experience. Work experience tasters should begin in Year 9 as part of the transition process and should be used to inform individual learning curriculum. There also needs to be a greater focus on employment pathways for young people who are not selected for Supported Internship programmes, otherwise they risk lifelong exclusion. **It is becoming apparent that if a young disabled person is not employed by the age of 25 then they are unlikely to work ever.**

Many SEND schools regard the national curriculum as a hindrance rather than a help. It is clear that employers have continually asked for strong soft skills not factual knowledge from potential employees. Schools should focus on the practical skills needed by employers – communication, social skills, adaptability, teamworking, independence, confidence, resilience, and ambition.

The 2014 SEND reforms have demanded great cultural change as the emphasis moves from qualifications to outcomes. This will require workforce development and appropriate quality standards. Ofsted has a key role in encouraging this change and will need to think about outcomes as more than just gaining qualifications. There is little point to education if it doesn't prepare learners to fully participate in adult life. Too many parents are desperately contacting us for support for their 25- or 26-year old son or daughter and they have been let down badly by the system.

## **Employment**

Employment is a key change agent in people's lives. It can bring financial security, relationships at different levels, and can lead to better health. It is key to independent living and self-worth. The UNCRPD Article 27<sup>7</sup> calls for countries to promote access to employment but, for people with learning disabilities, autism or chronic mental health needs, this is too rarely achieved. It is thought that fewer than 2500 people with a learning disability in England are in paid work more than 16 hours per week<sup>8</sup>. The figure has barely changed in decades; indeed, employment rates for people with learning disabilities have generally been on a downward trend<sup>9</sup> in recent years. For people accessing secondary mental health services the figures are slowly improving, largely through NHS investment in Individual Placement & Support (IPS)<sup>10</sup> services, a variation on the Supported Employment model. This is very welcome and we encourage the continued expansion of this support.

The picture is very different for people with autism and/or a learning disability. We have seen prolonged disinvestment in local support due to austerity measures. Local authorities have responsibility for collecting outcome data through the ASCOF indicators<sup>11</sup> but little in the way of resources or drivers to effect improvement. Government has, until recently, neglected this cohort totally; an abdication of its responsibilities. DWP has focussed on increasingly mainstream provision using a commissioning system that has encouraged under-delivery, “cherry-picking” and the “parking” of customers with higher support needs<sup>12</sup>. It has continually viewed this cohort as the “hardest to help” or “furthest from the labour market” without any evidence to substantiate this. Indeed, Mencap states that 65% of people with a learning disability want to work<sup>13</sup> and motivation is seen as the key success factor in gaining employment.

The Valuing People<sup>14</sup> initiative demonstrated how cross-Government working can organise itself around clear objectives. The roll-out of IPS provision also demonstrates what can happen when Government works this way. Instead, we have seen people with autism and learning disabilities abandoned during the formulation of employment policy. This has become increasingly apparent to DWP officials themselves and we see tentative signs of resourcing suitable provision through the Supported Employment Proof of Concept<sup>15</sup> and a proposed trailblazer<sup>16</sup>. A recent report from New Local<sup>17</sup> emphasises the need for commissioning and embedding local support. We strongly support this approach to drawing down national funding for locally commissioned Supported Employment service provision but it is not enough in itself. We also need to monitor and improve the quality of provision to customers, both jobseekers and employers.

Young people with mental health needs have been particularly impacted by Covid-19. A survey by Young Minds<sup>18</sup> found that young people’s mental health has worsened following their experiences of social isolation, disruption to routines, and break in support received. Support for health and wellbeing has to be an integral part of any employment support offered.

It is vital that we introduce quality assurance kitemarks to assure jobseekers, employers and commissioners of the quality of individual services. BASE has, with European partners, developed the Supported Employment Quality Framework (SEQF)<sup>19</sup> and we are now issuing model fidelity kitemarks<sup>20</sup> following independent audit of a service’s self-assessment. As in IPS delivery, the evidence is that higher model fidelity scores lead to better outcomes and at less cost.

There also needs to be a programme of workforce development within the sector. BASE has led on this through the creation of National Occupational Standards<sup>21</sup> for job coaches and the development of a Level 3 Certificate for Supported Employment Practitioners<sup>22</sup> that has now seen over 500 job coaches enrol on it. It is simply not good enough for a college to tell their learning support assistants that they are becoming a job coach the following week without any training to support them in their new role.

Future commissioning by DWP has to have a focus on quality rather than cost if we are to achieve better outcomes. The existing system of commissioning is not fit for purpose as it encourages contract discounting, over-promising and under-delivery. It relies on supply chain delivery without effective stewardship of the market, meaning that smaller, specialist organisations are unable to access funding to deliver what they know works. We see encouraging signs of a new approach to DWP commissioning<sup>23</sup> and welcome it. DWP has to take a lead in encouraging evidence-based practice. Ironically, it has historically not funded Supported Employment provision because of a lack

of UK evidence and yet it has never sought to fund this much-needed research until now. We would like to see investment from the Work and Health Unit in creating this UK evidence base and subsequent support for providers in a similar way to that offered to IPS providers through the IPS Grow initiative<sup>24</sup>.

Employers echo this call for evidence-based practice and quality assurance. Bodies such as the Chartered Institute for Personnel and Development (CIPD) and Federation of Small Business (FSB) are very supportive. Employers have too often been excluded from discussions about employment support but the changing labour market will mean that they have to become more imaginative in their recruitment and retention procedures. We would like to see a greater emphasis on disability issues within diversity management. Disability has long been the “Cinderella” issue within the equality bodies and while the Disability Confident scheme is finally making itself relevant to small and medium enterprises, where the majority of vacancies are, it is still too much a numbers game with inadequate monitoring and support and disconnected from the wider diversity agenda.

Reasonable adjustments to the recruitment process such as “working interviews<sup>25</sup>” are key to being more flexible in recruitment. Most employers have little experience of disability because of the segregated lives that people lead. They need advice and ongoing support to effect change. Providers are generally not dealing with companies at a strategic level and the recruitment system relies on individual contacts and commitment<sup>26</sup>. This has to change and will only do so when education and employment support providers engage with employers on the economic business case<sup>27</sup> for recruiting people with disabilities.

Much of Europe has disability employment quotas to drive higher disability employment rates. In France<sup>28</sup> and Germany, companies are fined if they don’t achieve their quotas and the income is directed to resource specialist provision. This has led to a wide roll-out of Supported Employment provision in France, though it probably has little effect on underlying employer attitudes. BASE does not advocate the use of employment quotas but the experience in France demonstrates the value of a clear cross-Government approach.

We do, however, feel there is a case for positive employer incentives. There seems to be no debate about the value of incentives to encourage involvement in apprenticeships or traineeships. We would like to see parity of employer incentives for the recruitment of people with substantial disabilities, whether it’s through Supported Internships or more general local recruitment support for adult disabled workers.

One of the greatest selling points for employers should be the Access to Work programme. This is widely admired across Europe as a means of funding support and reasonable adjustments. It has the potential to be a world-beating programme but since the introduction of call centres to handle applications, the programme has become steadily more bureaucratic and difficult to navigate. BASE is inundated with complaints from providers and individuals. Employers can apply for support but are not advised how or where to access that support. There are major problems with the applications process, the transmission of documents, communications with DWP advisors and claims procedures. BASE has engaged with DWP for four years to seek improvements but we have been met with a defensive attitude that borders on a denial of any problems. We were recently told by a parent of how an advisor had described her son as “deadwood”. This is unacceptable and the poor performance of this programme risks it becoming toxic with employers and providers.

## Welfare benefits

We continually hear reports of disabled people choosing to work under the Permitted Work rules so that benefit entitlement is not affected. This has led to Supported Interns not taking up job offers because of family pressure. This should not be happening but it reflects the anxiety caused by what is seen as a punitive welfare benefits system. The early 2010s saw widespread scapegoating of individuals as shirkers and malingerers, reflecting 19th century sensibilities. This has undermined the confidence of employers and the attitudes of wider society and needs addressing urgently. Individuals are trapped between ever-changing benefit silos that are used to categorise perceived ability.

We would like to see a more encouraging welfare system that lets people try out work without risk to their benefit entitlement. The 104-week benefit linking rules, abolished in 2012, allowed people to move back on their original entitlement if employment didn't work out for them in that period. It allowed people to try working without risk. We'd like to see the introduction of something similar so that people on Employment and Support Allowance are protected and encouraged to try work and maximise their hours. This should be backed up by reliable better-off financial calculations<sup>29</sup> so that young and older people are clear about the financial implications of working. It should be an integral part of transition planning for young people so that families are clear on the employment implications for family income.

## The Impact of Covid-19

Whilst we welcome the Chancellor's Plan for Jobs, we have grave concerns about the extent to which they will support young disabled people. Employers have been offered a range of incentives to employ young people, including wage subsidies through Kickstart and incentive payments for taking on an apprentice or Traineeship.

Most young people undertaking Supported Internships had their placements stopped in March 2020 and are having to continue their education into the 2020-21 academic year. Education providers are finding it very challenging to restart placements and to secure new placement opportunities. This is not helped by the fact that there is no comparable incentive for employers to take on a Supported Intern. We fear that these opportunities will be displaced by the measures put in place for Kickstart and for apprenticeships and traineeships. We are asking for parity in the way that Supported Internships are marketed to employers. We'd like to see stronger promotion of them through the Disability Confident campaign.

The Kickstart scheme is administered by Jobcentre Plus and Work Coaches are asked to only put forward young people that they consider to be "ready for work"; a concept that we don't recognise. We are calling for a framework of support so that young people with SEND can access the programme and be fully supported. Gateway organisations should demonstrate that they are able to identify and meet the support needs of disabled people and we believe that they should have links in place with specialist support organisations. We think that Kickstart should be open to young people in receipt of Employment & Support Allowance or who have an EHCP in place.



We understand that an adjustment is in place for disabled Kickstart participants where the employer receives the full 25hr/wk subsidy even if the young person works fewer hours per week. This adjustment needs flagging up.

## **Our ask of Government**

### **For the Department for Work and Pensions:**

1. Publish an Equality Impact Assessment of the Kickstart scheme and ensure that the initial evaluation of the scheme considers the experiences of disabled participants.
2. Work with our coalition to produce a framework that sets out the targeted support disabled young people accessing the Kickstart scheme should have from Gateway organisations.
3. Work with DfE to enable employers currently providing supported internships to offer Kickstart placements to their interns.
4. Promote the Disability Confident scheme and supported internships to employers who are providing Kickstart placements.
5. The Kickstart scheme is made open to a wider group than just those claiming Universal Credit (e.g. those with Education, Health and Care plans and on Employment Support Allowance).
6. Doubling the number of Disability Employment Advisors in line with the doubling of work coaches to ensure sufficient capacity to provide effective support.
7. Ensure that disabled young people on Kickstart placements who require support or technology funded through Access to Work have their support packages agreed by the time their placement starts.
8. Ensuring that online job-finding support services are accessible and relevant to disabled job-seekers through consulting with organisations representing disabled young people. Our coalition would be happy to support.

### **For the Department for Education:**

1. Provide £2,000 incentive payments to employers that offer supported internships in order to provide parity with apprenticeships.
2. Work with the DWP to enable supported internship employers to offer Kickstart placements to young people completing their supported internships.
3. New careers advisors within the National Careers Service to receive disability awareness training to enable them to provide improved support for disabled people.

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<sup>7</sup><https://www.un.org/development/desa/disabilities/convention-on-the-rights-of-persons-with-disabilities/article-27-work-and-employment.html>

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- <sup>29</sup><https://www.gov.uk/benefits-calculators>

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## Appendix iii - Career Connect

### About Career Connect

We are a charity committed to helping young people and adults realise their potential. We deliver high quality and professional careers, employment and training services in schools, in the community and in prisons. We are passionate about social mobility and helping the most disadvantaged to create a better future.

In 2018/19 we worked with over 79,000 young people and adults to support them in their journey towards education and work.

### Our Response

#### Executive Summary

We welcome the #PlanforJobs but believe there are five key areas where Government could and should do more to support young people being hit by the largest jobs crisis in a generation;

1. Provide additional support and funding for all age careers support and guidance, outside Jobcentre Plus
2. Expand the Kickstart scheme eligibility to NEET young people not on Universal Credit, ensuring 48,000 NEET young people aren't left behind
3. Provide additional support to bridge the digital divide through equipment and free/subsidised broadband
4. Commission specialist employment support for young people, especially those with additional barriers, such as those with disabilities, care leavers, young offenders and SEND.
5. Develop a programme to actively promote Kickstart to employers beyond the creation of Gateway organisations for SMEs

#### **Are the summers announcements #PlanForJobs ambitious enough to address the youth unemployment challenge?**

We believe the #PlanforJobs is a positive first step in addressing what is likely to be the most challenging job market for young people since the 1980's. The focus on providing more support and guidance to those looking for work and supporting employers to create more opportunities through Kickstart is welcome. We believe there are two areas where the plan needs to go further in order to provide support to more young people and ensure this doesn't become a forgotten generation.

The approach in the 'Plan for Jobs' in terms of support and guidance for those out of work is focused on increasing the number of Work Coaches, which while welcome fails to address the support needs of those not engaging with Jobcentre Plus. This is especially an issue for 16-17 year olds who are NEET as the majority are not engaging with JCP and are also no longer supported by school or college commissioned Careers guidance, in addition they are not eligible for the National Careers Service (which has been given an additional £32M in funding).

The academic evidence strongly points to the scarring effects of unemployment among young people for the long term and that this effect is greater if this takes place earlier in young people's careers. Therefore, the Government needs to look to provide more support for young people, especially, 16/17 year olds outside of JCP provision. This should include working in partnership with Local Authorities and Combined Authorities to enhance and increase funding for statutory support that is already in place and ensure that all young people have access to professional and independent careers advice, guidance and support.

The Kickstart scheme is very welcome and should help to support large numbers of young people into high quality opportunities. However, the restriction on the scheme to only those young people who are claiming Universal Credit is a major omission and will negatively impact some of the most disadvantaged young people. We have undertaken a detailed analysis of DWP and ONS data, which highlights a major gap in the Kickstart scheme. In June 2020 (the latest ONS figures on NEET) there were 59,000 16/17 year olds who are NEET nationally, with only 11,204 unemployed and claiming Universal Credit in this age group (based on DWP UC data). This means only 19% of 16/17 year olds who are NEET are eligible for Kickstart, and as a result 48,000 young people are excluded from the scheme. These young people will often be the most vulnerable in society and as highlighted earlier are most likely to suffer negative long-term effects from any periods out of work or education.

The solution to this issue would be to extend eligibility to 16/17 year olds who are NEET but are not claiming UC. These individuals could be identified by Local Authorities and charity's who are providing support to these groups and then referred to JCP in order to engage with the scheme. With a 50% drop in Apprenticeship starts during the pandemic<sup>1</sup> young people are being excluded from traditional routes to the workplace and are now also being excluded from a scheme specifically designed to support them into employment.

### **Are their gaps and tensions that may cause a rise in further inequalities amongst groups of young people such as those furthest from the labour market?**

We believe there are two key issues which will increase inequalities between young people during this crisis.

1. The lack of digital access for young people is a key issue. For many disadvantaged young people not only do they not have access to a computer in order to access services and education, they are often lacking Broadband, which means even when they have a device they can't access support and opportunities available. This is especially challenging as more and more services are moving on-line in response to the pandemic, in addition to the already massive shift that has taken place in areas such as recruitment which is now almost exclusively on-line for most roles.
2. As has been seen in previous recessions, when there is high unemployment those individuals already facing additional barriers to entering the workplace find it even more challenging. This is especially the case for disabled young people and others with additional barriers such as care leavers and those who have come through the youth justice system who already have much lower employment rates, and are likely to see these reduce further without significant and specialist additional support.

## **What more needs to be done to accelerate impact and ensure no young person is left behind?**

We believe Government should do the following;

1. Provide additional support and funding for all age careers support and guidance
2. Expand the Kickstart scheme eligibility to NEET young people not on Universal Credit
3. Provide additional support to bridge the digital divide through equipment and free/subsidised broadband
4. Commission specialist employment support for young people, especially those with additional barriers, such as those with disabilities, care leavers, young offenders and SEND
5. Develop a programme to actively promote Kickstart to employers beyond the creation of Gateway organisations for SMEs

### **References**

<sup>1</sup><https://www.fenews.co.uk/press-releases/55751-exclusive-study-apprenticeship-starts-halved-due-to-impact-of-covid-19>

Barry Fletcher  
Chief Executive Officer

## Appendix iv - The Careers and Enterprise Company

### 1. About The Careers & Enterprise Company

The Careers & Enterprise Company was established in 2015 as a national strategic body to help inspire and prepare young people (aged 11-18) for the world of work. Our mission is to ensure that every young person, regardless of their background, can achieve the best possible start to their working life and to realise their potential.

We began with a transformative employer-led programme to connect business with education, with a clear aim to make it easier for employers and careers providers to offer support to young people, and for schools and colleges to access and benefit from it.

Today, we work with nearly 80 per cent of secondary schools and colleges in England to help them deliver world-class careers education for their students, responsive to individual needs, and underpinned by the internationally recognised Gatsby Benchmarks<sup>1</sup>.

### 2. Executive Summary

- CEC shares national concern about youth unemployment as one of the significant effects of Covid-19 on our economy and society. We back focus and commitment to resources to address this, particularly measures aimed at the vulnerable group of young people transitioning from education to employment.
- We know that economic downturns can affect young people disproportionately over many years – as seen following the financial crash in 2008 and from previous economic shocks. It is therefore vital to focus effort not just on short-term relief, as is evident now, but also on longer-term measures that support recent and proceeding cohorts of education leavers to give them the best chance of finding meaningful and sustainable employment.
- Good careers education remains absolutely critical to support young people during this period to ensure they, as well as their parents, teachers and guardians, are aware of the full range of options available and that young people are helped to make informed choices. Careers education, including crucial touchpoints with employers, also helps young people to develop the career readiness, resilience, and employability skills to help their preparedness for work.
- National coordination allied to strong local delivery also remains important including the need to join forces between new youth employment offers and existing provision.
- We recommend that existing infrastructure, such as Careers Hubs and continued investment in the Careers Leader profession, is utilised as an essential spur for local responsiveness, to help connect young people to the support and the opportunities that are available.

### 3. Introduction

CEC welcomes the Youth Employment All-Party Parliamentary Group's 'Making Youth Employment Policy Work' inquiry and would be delighted to give further written or oral evidence on request.

Covid-19 is having a disproportionate effect on young people's employment. The proportion of 18-24-year-old unemployment claimants more than doubled from 6 per cent in March to 14 per cent in July<sup>2</sup> and latest forecasts suggest the unemployment rate could rise as high as 17% by the end of

the year<sup>3</sup>. It is unsurprising, as a result, that a recent survey of 2,000 16-24 year olds showed that young people feel uncertain and pessimistic about the future<sup>4</sup>. Youth employment programmes will be important in addressing this and preventing additional job losses.

As the CEC focuses on careers education in schools and colleges, this submission will not seek to analyse, evaluate or critique the Government's #PlanforJobs policies directly. Instead, it will emphasise how efficient and effective communication of the youth employment initiatives to Careers Leaders in schools and colleges would benefit young people

#### **4. Is the #PlanForJobs ambitious enough to address the youth unemployment challenge?**

We know economic downturns have a long-term effect on youth employment and up to five years after the 2008 financial crisis, rates were still being negatively affected<sup>5</sup>. While the effects of Covid-19 including lockdown measures continue to present significant challenges to the economy and labour markets, young people in transition years (Y11 and Y13), and below, are also likely to be hit hard by the prospect of unemployment unless they receive the right levels of support.

Schools and colleges therefore need to play a vital role in preparing young people for the world of work and supporting students to make positive education, employment and training transitions (EET). School and college leaders recognise this themselves with nearly three quarters (72%) believing career guidance has become even more important as a result of Covid-19, with the same proportion saying it will be either their top priority or among their top five priorities in the 2020/21 academic year<sup>6</sup>.

We welcome the announcements from the Chancellor's Summer Statement, which acknowledged the need for a multi-faceted approach to support young people into EET, and the clear evidence base for career guidance as an important tool to support people into these options<sup>7</sup>. For each programme to be effective, it is crucial that schools and colleges are supported to maintain and optimise their careers provision, within current circumstances, including signposting young people to appropriate youth employment services.

Through the Enterprise Adviser Network, representing over 3,800 schools and colleges, and the continued professional development of Careers Leaders, CEC has created effective careers infrastructure on a national scale to deliver this support and coordinate offers.

#### **Apprenticeships and Traineeships**

CEC welcomes the financial incentives to hire new apprentices and deliver traineeships, which reflect a long-standing Governmental priority to raise numbers. Before the pandemic, evidence of increasing demand was encouraging, as was data which demonstrated growing awareness amongst young people about apprenticeships and technical routes<sup>8</sup>.

Schools and colleges are already under statutory duty (Baker Clause), to provide information on apprenticeships and deliver meaningful encounters. CEC is responsible for supporting schools and colleges to drive improvements on careers provision including performance against Gatsby Benchmark 7, which states students should understand the full range of learning opportunities available to them, including vocational routes and apprenticeships. To do this, we coordinate apprenticeship awareness offers into schools, through our network of Enterprise Coordinators and

Careers Hubs, working in partnership with National Apprenticeship Service, their ASK providers and employers. We also build understanding of vocational pathways in schools through training, resources and targeted projects to help Careers Leaders overcome barriers to good practice.

Our Compass<sup>9</sup> data shows this is working with schools and colleges in the Enterprise Adviser Network and Careers Hubs more likely to ensure young people encounter and understand apprenticeships<sup>10</sup>. To capitalise on these supply-side incentives and maintain growth in the number of young people considering apprenticeships, continued support for Careers Leaders through Careers Hubs and tailored resources has never been more important.

### **National Careers Service (NCS)**

CEC welcomes the additional £32m funding for the NCS which will provide further direct access to careers advice for individual citizens, primarily targeted at adults, but available to young people (aged 13 and above), through its digital and phone services. Access to careers guidance is critical for young adults transitioning into the labour market, especially those in Years 11 & 13, as evidence shows careers education helps reduce the disconnect between careers aspirations and the labour market.<sup>11</sup>

It is important that young people, their parents/carers and Careers Leaders are aware of these services and how to access them. CEC ensures that Careers Leaders are aware of NCS' offer, through our national Enterprise Adviser Network and Careers Hubs, which provide a framework for the NCS to effectively promote its services to schools and colleges. NCS providers currently sit on Careers Hub steering groups and local skills and employment boards to ensure join-up. The professional development of Careers Leaders, through funded training, also empowers them to exploit a range of resources and services, including those delivered by NCS.

### **Youth Hubs and Kickstart**

CEC are actively engaging DWP officials to help increase understanding of Youth Hubs and the Kickstart scheme amongst our key local stakeholders. Careers Hubs, and the wider Enterprise Adviser Network offer a route for both initiatives to be promoted, particularly for colleges, based on existing partnership work with DWP initiatives such as Support for Schools. During lockdown, Careers Hubs were strategic arms of local multi-agency responses, working with local stakeholders, to support tracking intended destinations, specifically targeted at the most vulnerable and those at risk of becoming NEET. They made use of their proximity to schools and colleges to disseminate information and ensure the most vulnerable receive targeted support.

Where pilot Youth Hubs have been set up, we have seen positive engagement with Careers Hubs that should continue across England, as they roll-out:

*The Black Country Careers Hub is working directly with the Sandwell Youth Hub and the Careers Hub Lead sits on the Youth Hub steering group. Located at Sandwell College, young people accessing support through the Youth Hub are being actively linked to Careers Hub transition project resources, where appropriate, including locally tailored transition guides, packs and webinars.*



It is particularly important that Careers Leaders operating in further education institutions are presented with all the relevant information on Youth Hubs and Kickstart, as their students who are on the cusp of transition from education to employment may need to be aware of these initiatives.

CEC has launched a new communications channel targeted specifically at FE Careers Leaders, through our [College Careers Community](#) programme, which it will utilise to update them on the Government's youth employment offers. As the both programmes develop, we will continue to work with DWP officials to ensure Careers Leaders receive the latest information.

## 5. What more needs to be done to accelerate impact and ensure no young person is left behind?

Previous crises have shown us the long-term impact on youth employment can endure for numerous years. Tackling youth unemployment requires a multi-agency, cross-departmental approach, working with schools, colleges, employers and providers at a national and local level. This will ensure coherence of provision and that support is available to young people in most need of support, especially those in transition years.

The upcoming FE White Paper offers the Government an opportunity to solidify and further support the careers education model to ensure information regarding youth employment support is coordinated. It should build on momentum of the last three years, drawing on frontline insight of what works, including:

- **Careers Hubs** which have proven how effective this model can be in their response to lockdown, including in coordinating and disseminating information for local schools and colleges. They are the bedrock for future provision, and there should be a relentless focus on national roll-out and coverage, as called for in the Augar Review amongst other reports.<sup>12 13</sup>
- Continuing investment in **Careers Leaders' training and professional development** which will further enhance their capacity and capability, ensuring young people are made aware of all opportunities to enter the job market.

We welcome measures introduced to support young people transitioning from education or NEET status into employment and call for renewed commitment to young people currently in secondary school, through careers education, to help them find sustainable employment when they enter a challenging job market.

To be as effective as possible, any new Youth Employment policy must gain purchase within existing infrastructure to ensure coherent traction locally. It must also be understood by Careers Leaders, to ensure young people are supported to make informed decisions about their future.

**For more info on this submission, please contact Justin Hunt ([jhunt@careersandenterprise.co.uk](mailto:jhunt@careersandenterprise.co.uk)).**

## 6. References

<sup>1</sup>The Gatsby Benchmarks are a framework of 8 guidelines that define the best careers provision in secondary schools based on national and international research. ([Further info](#))

<sup>2</sup>Institute for Employment Studies (2020). [Labour Market Statistics](#), September 2020.

<sup>3</sup>Resolution Foundation (2020). [An intergenerational audit for the UK](#), October 2020 (Pg.51)

<sup>4</sup>The Prince's Trust (2020). [The Aspiration Gap](#), September 2020.

<sup>5</sup> Institute for Fiscal Studies (2020). [A bad time to graduate](#), April 2020

<sup>6</sup>Pye Tait Consulting (2020). [Secondary School and College leadership views on the impact of the Covid-19 Pandemic on Careers Guidance: A report commissioned by the Gatsby Foundation](#).

<sup>7</sup>Sunak, R. (2020) [A Plan for Jobs speech](#)

<sup>8</sup>Youth Employment UK (2020). [Youth Voice Census Report 2020](#), June 2020 (Pg.21)

<sup>9</sup>Compass is an online tool that helps schools and colleges to evaluate their careers activity against the Gatsby Benchmarks.

<sup>10</sup>Hutchinson, J., Morris, M., Percy, C., Tanner, E. and Williams, H. (2019) [Careers Hubs: One Year On](#). London: The Careers & Enterprise Company

<sup>11</sup> Rogers, M., Chambers, N., and Percy, C. (2020). [Disconnected: career aspirations and jobs in the UK](#). London: Education and Employers

<sup>12</sup>Independent Panel report to the [Review of Post-18 Education and Funding \(Augar Review\)](#) (May 2019)

<sup>13</sup>Quilter-Pinner, H., Webster, S., and Parkes, H. (2020). [Guaranteeing the right start: Preventing youth unemployment after Covid-19](#). IPPR

## Appendix v - The Health Foundation

### About The Health Foundation

The Health Foundation is an independent charity committed to bringing about better health and health care for people in the UK. Our aim is a healthier population, supported by high quality health care that can be equitably accessed. We learn what works to make people's lives healthier and improve the health care system. From giving grants to those working at the front line to carrying out research and policy analysis, we shine a light on how to make successful change happen.

We make links between the knowledge we gain from working with those delivering health and health care and our research and analysis. Our aspiration is to create a virtuous circle, using what we know works on the ground to inform effective policymaking and vice versa. We believe good health and health care are key to a flourishing society. Through sharing what we learn, collaborating with others and building people's skills and knowledge, we aim to make a difference and contribute to a healthier population.

### The Health Foundation and young people

The Health Foundation launched the Young people's future health inquiry in 2017 to explore young people's ability to access the core building blocks of health: a place to call home, secure and rewarding work, and supportive relationships with their friends, family and community. These building blocks help young people to build the foundation for a healthy life. Young people need the opportunities which help them build these foundations and the systems around them need to create these opportunities.

### Q1: Are the summer's announcements #PlanForJobs ambitious enough to address the youth unemployment challenge?

The Young people's future health inquiry considered that secure and rewarding work is one of the key building blocks for a healthy future. Prior to COVID-19, research from [Listening to our future](#) by the Health Foundation found that young people already faced difficulties accessing an increasingly competitive job market. Barriers to employment included a lack of connections needed to get on their chosen career track, a lack of opportunities in their local area, or not having a financial safety net whilst trying to secure work.

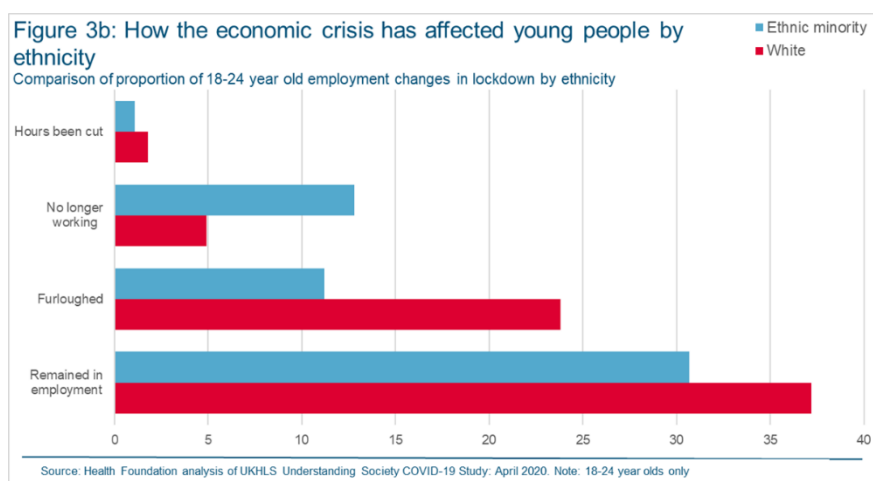
*'I'm currently temping doing admin at a local authority in the social care team. It's only a six-month contract covering someone on maternity leave. I'm pretty frustrated as this is not what I want to be doing. I worked hard at school, and have a teaching qualification from Belfast. I had thought teaching would be a safe bet leading to a good, stable job with a steady salary.'* (Mary, 26, 'Listening to our future' participant)

The COVID-19 pandemic has reinforced these barriers to employment, with young people facing some of the worst consequences of the economic downturn. [Recent analysis](#) by the Resolution Foundation and the Health Foundation found that one-third of 18-24-year olds have been

furloughed or lost their job, in contrast to just over one-sixth of working-age adults overall. Further analysis by [the Resolution Foundation](#) suggests that those on the furlough scheme have an elevated risk of later unemployment when the scheme ends.

*'I had literally just started my new job after Christmas – and then this happened. I was working 21 hours a week at the local pub, five minutes from where I live. It was going well.'* (Bethan, 19, member of the Health Foundation's Youth Steering Group)

[Health Foundation](#) analysis further highlights that some groups of young people have been more affected by the economic crisis than others. Young people with the lowest household income were the most likely to have lost employment or have had their hours cut at 8%. We also found that young people from a minority ethnic background are twice as likely to be no longer working or had hours cut since lockdown than their peers at 13.9%.



The Kickstart scheme is a welcomed first step towards getting more young people into employment but there are big risks that come with [ignoring quality of work](#), which is vital for young people's long-term health and wellbeing. Analysis from the [Institute for Employment Studies](#) further highlights the challenges ahead for government with rising unemployment: the government must now create four times as many jobs as the [Future Jobs Fund](#), but the Kickstart subsidy will be a quarter lower than the earlier fund.

The Government must urgently focus on supporting the creation of high quality, long term job opportunities for young people, as well as [improve education and training pathways](#) into work so that young people are able to access these opportunities. Levelling up the gaps experienced by young people could enable the protection of their health long-term.

## Q2: Are there gaps and tensions that may cause a rise in further inequalities amongst groups of young people such as those furthest from the labour market?

Securing high-quality work for young people is only one building block needed to lay the foundations for a healthy future. Young people aged 12 to 24 also need secure housing and strong relationships with family, friends, and their wider community to ensure high quality employment and to secure their future health. Other assets young people need include financial and practical support, emotional support, the right skills and qualifications, and personal connections. These factors are interconnected and often reinforce each other, putting some young people in certain locations or from certain backgrounds at extensive disadvantage within a complex system.

Health Foundation research has shown for young people, it is not enough to provide sustainable jobs, removing barriers to employment is the key to enabling young people access to the labour market. Health is both a driver and a consequence of these barriers and below we outline areas that compound the inequality and difficulties young people face.

### Experience of housing

- Many young people face an impossible choice: unaffordable housing and better work opportunities, or secure housing and poorer quality work. Housing insecurity is a significant factor for young people that restricts their choices, opportunities and security, it can cause huge strain on their ability to commit to employment and have a stable base.
- Research by the [Chartered Institute for Housing](#), commissioned by the Health Foundation, highlights how engaging in precarious work may in turn impact on young people's ability to meet the cost of housing within the private rental sector.
- Recent analysis by [YouGov](#) found that 21% of young renters have reported that the pandemic has directly or indirectly forced them to move, which is linked to their increased likelihood of losing work and therefore defaulting on rent payments.

### The impact of transport

- Transport can be a factor that widens socio-economic inequalities if it is not accessible and efficient for everyone. For young people having affordable, reliable transport is crucial and the lack of government subsidies for transport is [having a major effect](#) with young people struggling to afford public transport.
- In the Health Foundation's report [A place to grow](#) published in 2018, we found that a lack of infrastructure and high costs were significant barriers for young people using public transport. There were examples of them making different educational, employment and other choices because of the transport options involved.
- Further research [by Sustrans and the UWE](#) commissioned by the Health Foundation in 2019, found that young people are disinclined to apply for work where it is not easily accessible by public transport and employers are reluctant to offer jobs to them.

### Living with or without a financial safety net

- Many young people, [including single parents aged 16-24](#), do not have access to financial support from either the state or from family. This can lead to missed opportunities in

accessing work or further education and can significantly impact on their future prospects, creating opportunity inequality.

- Structures like Universal Credit are established in such a way that young adults are more likely to lose out than other groups. A large part of this will be because younger adults are less likely to be parents and more likely to live with other earners and are therefore affected by the reduced support offered to non-parents or individuals.
- Broader cuts to the value of working-age benefits (including the benefits freeze, the two-child limit and reduced UC work allowances) across the working age range have borne down particularly hard on young adults. This is attributed to their likely lower salaries of other age groups and a complex labour market for young people.
- The broader cuts to the value of working age benefits that continue must be reversed and in the existing schemes that do exist young people must be protected from complex systems and harsh criteria.
- For young people the choice between academia or work is exacerbated by geographical variation and inequality in support for school leavers. For those with access to college or sixth form the likelihood of developing further skills and improved long-term outcomes is much higher and such geographical inequality should see investment and improvement by Government to ensure all school leavers have a standardized level of support and a wide range of opportunities available to them.

### **Q3: What more needs to be done to accelerate impact and ensure no young person is left behind?**

#### **Delivering employment policies that work for young people**

- The Kickstart Scheme is the first step towards creating a better job market for young people, but we now need concerted, long-term action to address pre-existing barriers to the labour market that have been worsened as a result of the COVID-19 crisis.
- The Government should now set out plans for delivering 3 million apprenticeships through the Lifetime Skills Guarantee announced in September 2020. These plans must set out how they plan to support young people who have not been in education, employment or training for more than four months. It is critical that apprenticeships delivered through the scheme provide long-term opportunities for young people.
- We must see a renewed focus on the quality of work – building on the ‘Good Work’ and ‘Fair Work’ agendas, promoting ‘Youth Friendly Employer’ standards, leading by example in the public sector, and exploring the scope for targeted intermediate labour markets for the most disadvantaged.
- We should move beyond the old measures of not in education, employment or training (NEET) rates and instead focus on developing a new approach based not just on the quantity but the quality of employment and learning for young people. This could be facilitated if ONS captured measures like: engagement, attainment, achievement of the highest possible level of employment for young people.

#### **Creation of a cross-government strategy to reduce health inequalities**

Over the past decade we have seen a gradual widening of existing inequalities, with life expectancy improvements stalling and a decline in the number of years some people can expect to live in good health. As the government looks to ‘build back better’ a national cross-government health inequalities strategy is needed to level up health outcomes and improve the population’s health and wellbeing.

This needs to be driven forward and supported by strong system leadership across the various levels of government and embedded within local and national recovery plans. Supporting young people to thrive – irrespective of their background – should be a core component of this strategy. Our report [\*Creating healthy lives\*](#), published in 2019 sets out the further ingredients for a cross-government strategy in greater detail. The Health Foundation is currently undertaking work to identify the core components of a cross-government health inequalities strategy, drawing on evidence from other effective cross-government initiatives, as well as identifying priority policy areas for action through engagement with key stakeholders.

### **Further work of the Young people’s future health inquiry**

The Health Foundation have now launched the action phase of the Young people’s future health inquiry, in order to build on the important work started in our initial research. We are planning to build the policy, research and place-based agenda so that policymakers and the wider sector recognise that the ages of 12-24 are significant for health in the long-term.

Between 2020 and 2023, the Health Foundation are [\*funding five policy posts\*](#) at a range of different organisations to build the policy agenda and amplify the voices of young people. This includes two projects focused on young people’s employment: examining the types of work undertaken by young people at the Institute for Employment Studies and securing high-quality work for young people at the Resolution Foundation. The policy posts will work within their organisations to develop and test policy ideas, along with working with stakeholders in their sector.

### **For further information:**

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## Appendix vii –RAW Digital Training

### **Submission from:**

Joanna Wake  
Director of Innovation at Baltic Apprenticeships  
Managing Director at RAW Digital Training

### **Executive summary:**

We are in unprecedented times for unemployment, and more importantly, youth unemployment. It is vital to note the increases in the digital sector, and that support is desperately needed for young people to move into this, and any other growing sectors in regions.

I am hands on with a vast range of digital pathways and routeways, and it is clear to me that interventions are needed as soon as possible, to support as many young people as possible into meaningful employment in growth sectors.

### **Introduction on me:**

I am a digital skills leader and have worked in digital skills for 8 years, whilst working on NEET pathways and routeways for four years. I sit on a number of digital skills groups and boards in the North East of England.

### **Recommendations and why:**

#### **Apprenticeship Grant Extension**

This needs to be extended until December 2021, at the very least for apprenticeships in growth sectors.

The digital sector jobs have grown 36% since March. This has also been reflective in apprenticeships with our company experiencing 30% year on year growth for the last quarter (August to October). This is extremely significant in a situation where youth unemployment faces a huge crisis.

#### **Open AEB to 16-18 year olds**

Those aged 16-18 get a raw deal when it comes to accessing the vast majority of skills provision available in local areas. Particularly if we are to encourage apprenticeships as much as possible, younger people need to not be excluded from skills courses and gain their functional skills - as they currently are. Opening AEB to those who are 16-18 would have a huge impact on this generation.

#### **Financial support for those choosing apprenticeships**

Not all young people accessing apprenticeships are living at home with parents. Many young people are living alone, in supported education, can be parents themselves, and have other financial responsibilities.

Accessing an apprenticeship is often an accessible route for young people, and can have a big impact on earning potential for the future. However, it has short term implications on income. Providing access to financial loans like that offered to those who chose university, could prove to be a significant help to those choosing this route.

### **Pathways and routeways in growth sectors**

These programmes work, and now more than ever there needs to be as much support available to young people to learn about the growth sectors, and enter them.

We have a huge skills gap in software development, and one looming in data, we need to bridge the gaps.

## Appendix vii - Youth Employment UK

### **About Youth Employment UK**

Youth Employment UK is an independent, not for profit social enterprise founded in 2012 to tackle youth unemployment in a time when there were over one million young people not in employment, education or training (NEET). We provide UK-wide careers and skills advice for young people and youth friendly employer advice to companies and organisations.

As experts in youth employment and unemployment, we are ideally placed to understand the complex landscape facing young people, employers and policy makers.

In March 2020 Youth Employment UK co-founded the Youth Employment Group along with Impetus, Institute for Employment Studies, Prince's Trust and the Youth Futures Foundations. The Youth Employment Group has presented a number of recommendations to the government including the call for an Opportunity Guarantee which the Prime Minister committed to in the summer of 2020.

### **Are the summer announcements in the Plan for Jobs ambitious enough to address the youth unemployment challenge?**

A rapid response to the impact of Covid-19 was needed and it is positive to see the Government address this with an ambitious agenda. We highly commend the rate at which civil servants across Whitehall have been putting the plan into action. The Plan for Jobs is a good foundation and with some adjustments could become a really powerful offer for young people.

The increased support for those young people through the Department for Work and Pensions including the increased number of Work Coaches, Youth Hubs and of course the Kickstart programme is very welcome. Co-ordinated localised delivery of national policy is an important step change in switching the dial for young people.

Investment in traineeships and apprenticeships is another welcomed focus; there is clear evidence that these pathways work for young people boosting professional development, employment and long term career opportunities. Young people really value apprenticeship and yet have been suffered under the Apprenticeship Levy, with declines in apprenticeship starts for 16-24 year olds across the Levy roll out. Refocusing apprenticeships on young people in this cohort and creating more opportunities by incentivising employers and creating more entry level roles that can lead into high apprenticeships should be a government priority.

Young people need good quality information, advice and guidance to help them navigate the options ahead. We hear consistently from young people that they do not know what opportunities are available to them and would value one-to-one support. The investment into the National Careers Service and Work Coaches will be important services for young people to access.

**Are there gaps and tensions that may cause a rise in further inequalities amongst groups of young people such as those furthest from the labour market?**

Youth unemployment has been a difficult problem to solve, since the financial crisis of 2008 which led to a million young people NEET there has been significant investment, policy development and work been done to address youth unemployment but yet the levels were still too high even before Covid.

We need to learn from the last youth unemployment crisis, a first lesson should be to acknowledge that we are unlikely to see the peak of youth unemployment from the Covid Pandemic until later in 2021 or even 2022. We have to have a more bold and long term view of the Plan for Jobs than there currently is.

Another lesson needs to be that not all things are equal for young people. And those young people from disadvantaged backgrounds or who are Black, Asian or from other Minority Groups and those young disabled people or care leavers face significantly more challenge than other groups. These young people face the greatest barriers and need government policy to work hardest for them.

Covid-19 has burst wide-open the gaps in society, social mobility had been stagnant in the UK for decades and it is easy to assume it will fall backwards under the pressure brought on by the health crisis. In contrast the mental health challenges faced by young people will continue to climb, we are beginning to see data that shows young people do not feel confident about the futures and are reporting increases in anxiety.

The renewed focus from the government on young people provides an opportunity to create lasting, joined-up and well funded policy. Policy that works hardest for our most disadvantaged young people and ensure that no one falls through gaps. The state should use this moment step in and help to secure the futures of its children who have lost so much during the pandemic.

Quality, Equality and Opportunity should be a primary focus for this youth policy.

## What more needs to be done to accelerate impact and ensure no young person is left behind?

Based on our [Manifesto for Youth Employment \(2019\)](#), our work with young people ([Youth Voice Census \(2020\)](#)), employers ([Good Youth Employment Charter](#)) and the Youth Employment Group we are proposing the following recommendations.

### Recommendations

1. We recommend a cross-department taskforce between Department for Work and Pensions and Department for Education with membership from other Departments who have influence in youth and economic policy. This taskforce should be tasked with developing a long term plan for young people and ensure that policies across departments are complementary, funded appropriately and priorities the most disadvantaged young people. Young people should play a pivotal role in the development and implementation of this work.
2. Data and Evidence should drive ongoing youth policy and the government must review what information it has to improve its understanding of the youth population, their transitions, outcomes and what works. This evidence should be used to inform any commissioning services.
3. The continue roll out of the Youth Hubs should be prioritised and the Hubs should become the central delivery point for local education, training and employment policies. Youth Hubs should be appropriately funded and ensure that they are sustainable and respond to the needs of all of the young people in each community.
4. Young people need to be given personalised support, this must be holistic and not offered in short, inconsistent bursts. The [Journey to Employment \(JET\) Framework](#) provides an excellent tool to understand a young persons needs. It also can be used to measure and evidence the impact of the support that they are then provided. We recommend that the JET Framework be developed to support careers leaders, providers, work coaches and other practitioners to ensure that all of the needs of a young person are addressed in the support services offered to them.
5. Youth Employment UK had built a free [Virtual Learning Platform](#) using the JET Framework for 14-24 year olds to take control of their journey to work. We recommend this VLP is used to complement education and employment programmes so that young people have access to independent and tailored digital support through their entire journey to work.
6. The government must develop youth policies that ensure no one is left behind. We recommend the eligibility criteria for the Kickstart Scheme be amended so the most disadvantaged young people not claiming can still participate and benefit. We also recommend a review of the services available to 16 & 17 year olds who do not qualify for much of the into work support that has been developed.
7. We recommend that any employer benefitting from government schemes should be required to sign up to the [Good Youth Employment Charter](#). There should be a focus on

quality opportunities that are fair, inclusive and support the development of young people. The Charter is free to employers and provides support and guidance helping employers to become Youth Friendly.

8. Reform the Apprenticeship Levy to ensure that it focuses on building opportunities for young people. This should include a review of banding, employer investment and flexibility with Levy spend where it can create opportunities for the most marginalised young people.

## Appendix viii - Youth Futures Foundation

### Executive summary

- The 'Plan for Jobs' contained many welcome funding commitments including the creation of 'Kickstart', expanding Jobcentre Plus services and boosting traineeships.
- Other areas of the Plan for Jobs required more ambition, particularly around apprenticeships
- Kickstart has considerable potential as a scheme to tackle youth unemployment. However, it needs to be targeted at the most disadvantaged young people and the most disadvantaged parts of the country.
- The overlapping and sometimes competing remits of different government programmes such as apprenticeships, traineeships and Kickstart could reduce their effectiveness in supporting young people who face significant barriers to securing sustainable employment.
- To generate the best outcomes for disadvantaged young people in the coming months and years, the government should: (a) set up a new 'Learning Lab' to develop and evaluate high-quality programmes; (b) build better datasets to monitor and improve outcomes for young people; and (c) provide cross-departmental investment in Youth Hubs.

### About the Youth Futures Foundation

The Youth Futures Foundation aims to transform the lives of young people by unlocking potential and addressing the root causes of youth unemployment. It is harder for young people who face disadvantage or discrimination to access and retain employment, leading to increased inequality and wasted human capital. Solving this will require a collaborative, joined up, 'systems-based' approach to improving skills and enrichment opportunities for young people as well as incentivising and equipping employers to hire and retain them. With our £90 million endowment from the Reclaim fund, we will strive to achieve this by:

- a. understanding 'what works' in terms of generating and evaluating the research evidence;
- b. supporting the adoption of evidence-based approaches; and
- c. encouraging partnership working between all the key stakeholders – employers, practitioners, policymakers and young people themselves.

We are submitting evidence to this inquiry because we can hopefully offer a unique perspective on not just how to address the barriers facing young people from disadvantaged backgrounds, but also ensure that we build a high-quality evidence base that can underpin efforts to support these young people both now and in future.



## Are the summer's announcements in the #Planforjobs ambitious enough to address the youth unemployment challenge?

There are several aspects of the government's recent announcements that should be commended for demonstrating their ambition to improve the prospects of young people:

- The £2 billion allocated to the 'Kickstart' programme is a significant new cash injection over and above existing provision for young people.
- Nearly £900 million to double the number of Jobcentre Plus (JCP) Work Coaches as well as providing £32 million for the National Careers Service is a clear recognition that frontline services need greater investment to meet the scale of the challenge facing young people who are seeking sustainable jobs.
- £111 million to triple the scale of traineeships in 2020-21 shows that the government acknowledges the crucial role that entry-level training can play in helping young people secure high-quality employment.
- Expanding the eligibility criteria for traineeships to include young people with Level 3 qualifications and below (instead of Level 2 and below) removes a potential barrier to young people accessing this programme.
- The new £1,000 bonus for recruiting a trainee should encourage more employers to offer traineeships. This is a positive sign because an official evaluation of traineeships last year found that around 75% of trainees progress into further learning, employment or an apprenticeship after their course.<sup>1</sup>
- £17 million to triple the number of sector-based work academy placements is another welcome intervention. An evaluation of sector-based work academies in 2016 found that in the 18 months following their participation in this initiative, participants spent on average 50 days longer in employment and 29 days less on benefit compared to similar non-participants.<sup>2</sup>

However, there are some parts of the 'Plan For Jobs' that require more:

- The additional employer bonus of £2,000 for each new apprentice under the age of 25 is unlikely to change employer behaviour to a significant degree. Apprenticeship starts for young people have collapsed since lockdown began in March this year – falling almost 70% for 16-18s and almost 50% for 19-24s compared to the same period last year (see below).

**Apprenticeship starts from 23 March to 31 July (published 8th October)<sup>3</sup>**

	2018/19 Apprenticeship starts (at this point last year)	Proportion of 2018/19 total	2019/20 Apprenticeship starts (reported to date)	Proportion 2019/20 of total
<b>Total starts</b>	107,750		58,160	
<b>Age</b>				
Under 19	17,790	16.5%	5,700	9.8%
19-24	31,090	28.9%	16,310	28.0%
25+	58,860	54.6%	36,150	62.2%

The government needs to be more ambitious if it wants to stabilise and subsequently increase apprenticeship opportunities for young people because recruitment costs are a major barrier for employers in uncertain economic conditions. The incentives for recruiting young apprentices should therefore be increased to £5,000 for recruiting a 16 to 18-year-old (equivalent to a 30% wage subsidy over 24 months or 60% over 12 months) and £3,500 for recruiting a 19 to 24-year-old (a 15% wage subsidy over 24 months or 30% over 12 months).<sup>4</sup>

- Introduced as a pre-employability programme in 2013, traineeships have been declining in popularity, from a high of 24,100 starts in 2015/16 down to just 14,900 last year. On that basis, the government should be using traineeships more proactively as a preventative measure when tackling youth unemployment. The new employer ‘bonus’ of £1,000 should therefore be increased to £2,000 for employers who recruit a 16 to 18-year-old onto a traineeship. This will encourage employers and training providers to concentrate their resources on young learners at risk of unemployment when they leave (or are finishing) school or college.

**Are there gaps and tensions that may cause a rise in further inequalities amongst groups of young people such as those furthest from the labour market?**

There are numerous gaps and tensions that the evidence suggests could lead to greater inequalities among young people:

- Kickstart is not sufficiently well-targeted at young people facing the greatest barriers to meaningful employment. For example, the guidance for JCP Work Coaches says they should offer Kickstart jobs to ‘work ready’ young people, not those who still need support/training to access these jobs due to their additional needs or lack of prior experience. This means that young people who face barriers to securing high-quality employment are likely to miss out on many Kickstart jobs, even though they would benefit the most from them, because they will not be judged as ‘work ready’ relative to other young people with higher qualification levels and / or previous work experience.

- The current Kickstart eligibility criteria are largely based around the length of time that someone has been claiming Universal Credit (UC), but many disadvantaged young people do not claim benefits so they will never meet a time-based threshold for claiming UC to access Kickstart jobs. This will make it much harder, if not impossible, for these young people to engage with Kickstart. The eligibility criteria should be revised as soon as possible so that disadvantaged young people who do not claim UC can still participate in Kickstart.
- Following the financial crisis of 2008-2009, youth unemployment did not peak until the period December 2011 to February 2012 – three years after the crisis began.<sup>5</sup> This time lag suggests that the deadline of receiving bids for Kickstart jobs by December 2021 will bring an end to this scheme when young people need it the most. By continuing to fund Kickstart at current levels until 2023/2024, it will remain accessible to JCP Work Coaches and young people throughout any labour market instability in the coming years.
- At present, the £2 billion for Kickstart is a single national pot of funding, which means that local areas with the strongest economies are likely to draw down more money from this national pot than weaker parts of the country, even though Kickstart will have a greater impact in areas struggling with the highest levels of youth unemployment. The government should therefore ring fence money for each region to ensure that the funding is allocated evenly and fairly across England.
- The apprenticeship levy has created the wrong incentives for employers. For example, previous research has shown that the levy encourages employers to prioritise older and existing employees over younger and newer recruits because the employer wants to use up the available funding as quickly as possible, and therefore focuses on expensive training courses for existing employees<sup>6</sup>. These trends have worsened since lockdown began, as noted earlier in this submission. The apprenticeship levy is therefore generating greater inequalities between those in work versus those currently out of work, including among young people, which should be addressed by the government as a matter of urgency.
- Some of the new schemes and programmes announced by the government in recent months may end up competing with, rather than complementing, each other. For example, the new £1,000 employer bonus for traineeships (an unpaid role) could reduce employer engagement in lower-level apprenticeships (paid roles). This might make it harder for young people to find apprenticeships and other paid opportunities, thus increasing the inequalities between more advantaged young people and those who are struggling to find entry-level positions. A cross-departmental review, potentially run by the Cabinet Office, could help to identify any overlapping or competing programmes with a view to providing a range of feasible solutions to ministers.

## What more needs to be done to accelerate impact and ensure no young person is left behind?

1. Set up a new 'Learning Lab' to develop and evaluate high-quality programmes

In these challenging economic times, it is vital that we continue to build the evidence base in terms of which programmes have the greatest impact on long-term outcomes, as well as seeking to understand which groups of young people benefit the most and which aspects of each programme deliver the largest benefits. It is thus essential that the coming months and years are used to understand what works, and for whom, and – crucially – why it works.

Consequently, the government should provide long term additional funding of £120 million over ten years to create a new world-leading ‘Youth Employment Learning Lab’ in the north of England, bringing together the Youth Futures Foundation and DWP Data Lab to generate new ideas and advise on youth employment programmes. This would provide Government with the ability to assess, interpret and investigate youth employment schemes from the UK and abroad within a single institution. In doing so, the Learning Lab will act as a truly global magnet for research expertise.

The activities led by the Learning Lab will include, among other things:

- evaluating schemes and initiatives such as Kickstart, traineeships and Youth Hubs to test whether such programmes mitigate (or even reverse) the effects of the economic downturn
- monitoring the impact of job losses and redundancies on different ethnic groups as well as the effect of recruitment practices on social mobility
- assessing how the new UK Shared Prosperity Fund can deliver the best labour market outcomes for young people
- conducting research on the impact of external events / shocks on young people’s ability to progress into meaningful employment

## **2. Build better datasets to monitor and improve outcomes for young people**

Considerable progress has been made in recent years in relation to joining datasets across government to provide a more comprehensive assessment of outcomes for young people, especially the advent of the longitudinal education outcomes (LEO) data that can combine information from the DfE and DWP to look at employment and earnings outcomes. Even so, more progress is needed to unlock additional data and ensure that government policymaking is based on accurate and robust datasets. The projects and evaluations conducted by the Learning Lab would therefore benefit enormously from having access to such datasets.

What’s more, the proposed Northern ‘Learning Lab’ should lead the way on the creation of a ‘Youth Productivity Index’ (YPI) that sits outside of the basic employment statistics. At present, too many people are falling through the cracks if they do not claim benefits, so they are often missing from official datasets. It has been estimated that almost 500,000 young people are ‘hidden’ from official statistics for such reasons<sup>7</sup>. The YPI – which would be designed and tested by the Learning Lab – will be crucial to helping the Treasury and DWP understand where additional resources are required to reduce youth inactivity and unemployment. This will, in turn, contribute to the government’s ‘levelling up’ agenda because areas with high levels of ‘inactivity’ can be targeted with further investment to support those organisations engaging with and supporting young people. In doing so, it would increase productivity and growth – generating further benefits in the cities, towns and communities located in more deprived areas.

Moreover, it is only sustained, meaningful employment that will transform the life chances of the most disadvantaged members of our society. Consequently, the Learning Lab should pioneer efforts to measure and monitor job retention and ‘in-work progression’ alongside recording the number of people starting and completing each scheme. This effort should build on the local and (the so far slim) national evidence base on testing approaches to increasing earnings and progression in work. The Learning Lab would fund new trials of various approaches to in-work progression specifically for young people, as poor early experiences in the labour market can have long-term ‘scarring’ effects.

### **3. Provide cross-departmental investment in Youth Hubs**

There is an urgent need to roll-out dedicated ‘Youth Hubs’ that act as effective and easily accessible ‘one stop shops’ to encourage engagement by young people, particularly the most disadvantaged, those furthest from the labour market and those most at risk of becoming NEET post-16. The Treasury should therefore coordinate a cross-government investment in a national network of virtual and physical Youth Hubs to ensure that all young people can access the services they need to successfully transition from education into secure and sustainable jobs.

The Youth Hubs initiative being led by DWP has considerable potential in terms of supporting young people from disadvantaged backgrounds. The creation of a Youth Hub accessible to every community will therefore enable Government to:

- Increase productivity by supporting young people into work
- Smooth transitions between education and employment, ensuring that young people do not fall between the cracks and can be quickly moved to their next education, employment or training opportunity
- Increase young people’s access to Jobcentre Plus services
- Generate efficiency savings by co-locating key support services such as health and housing
- Drive the UK’s digital connectivity through provision of cutting-edge technology & high-speed internet access for young people (particularly in rural areas)
- Maximise participation in community-based programmes such as art and sport
- Reduce anti-social behaviour and serious youth violence through early intervention

There is a strong case for the government to use Youth Hubs as a focal point for cross departmental investment in young people. A network of high-quality, evidence-led Youth Hubs should be developed across the country, with refurbishment and running costs met through funding from a variety of sources including:

- DWP Flexible Support Fund
- DCMS Youth Investment Fund (YIF)
- The National Citizen Service
- DfE for supporting careers advice and guidance
- MHCLG for improving access to secure housing for young people
- DHSC for young people’s physical and mental health
- Home Office for community cohesion and tackling youth violence

These Hubs would be located according to need and existing availability of appropriate buildings to keep set-up costs low, thereby facilitating rapid implementation and scaling up of evidence-based practice. This would build on existing local infrastructure and expertise so that funding is deployed to rapidly update buildings and equipment as well as improve and expand services, rather than establishing new centres that will not be ready in time to respond to the COVID emergency. For example, locating Youth Hubs in youth centres, community centres, large secondary schools or colleges would give young people easy access to the advice and services on offer. However, the Hubs will still need to be given teeth to be effective, including the necessary capital costs for space, housing and IT.

There is evidence from a number of local and national trials<sup>8</sup> that an enhanced ‘transitions’ service for young people can be an effective way to engage young people at an earlier stage than they would access mainstream support in JCP. By engaging young people early, the individual and societal costs of longer-term unemployment are avoided. Youth Futures is already supporting DWP to effectively implement this model by identifying existing evidence and examples of good practice for JCP staff to draw on when designing and setting up Youth Hubs and other employment programmes.

## References

<sup>1</sup> Gray et al (2019), Estimating the impact of Traineeships: Final Report, Department for Education.

<sup>2</sup>Ward et al (2016), Research Summary: Sector-based work academies: A quantitative impact assessment, Department for Work and Pensions.

<sup>3</sup>Department for Education, Apprenticeships and Traineeships, England: October 2020.

<sup>4</sup>The apprentice minimum wage for 16 to 18-year-olds is £4.15 an hour – broadly equivalent to £8,632 a year (40 hours a week, 52 weeks a year), making an incentive payment of £5,000 a 60% subsidy for a 12-month apprenticeship and a 30% subsidy on a 24-month apprenticeship. Apprentices aged 19 and over receive the same hourly rate in the first year of their apprenticeship but transition to the National Minimum Wage after that, which has different rates for those aged 21-24 (£8.20) and 18-20 (£6.45). An average of £7 an hour in the second year of a two-year apprenticeship was therefore used to estimate the 15% subsidy for a 24-month apprenticeship for those aged 19-24.

<sup>5</sup>House of Commons Work and Pensions Committee (2012), Youth Unemployment and the Youth Contract, p12.

<sup>6</sup>Tom Richmond (2020), Runaway Training, EDSK.

<sup>7</sup>London Youth (2018), Hidden in plain sight.

<sup>8</sup>See Learning and Work Institute (2018), MyGo Evaluation: Final report.