

Enterprise and Business Committee: Inquiry into Assisting Young People into Work: A Response from Careers Wales

Introduction

1. Careers Choices Dewis Gyrfa Ltd (CCDG) is a wholly owned subsidiary of the Welsh Government, formed on 1 April 2013. Trading as *Careers Wales* we provide the all age, independent and impartial careers information, advice and guidance service for Wales. The focus for our service is to help the people we support make successful career progressions, including gaining and sustaining entry to appropriate education, employment or training (EET).
2. In 2013-14, a total of 5,276 (or 81%) of unemployed young people aged 16-18 working with Careers Wales progressed into education, training or employment and 489 (8%) were referred to other agencies to address identified personal barriers to progression. In that year, Careers Wales worked with a number of partner organisations to support:
 - 4,444 unemployed young people aged 16-18 into Traineeships;
 - 711 young people aged 16-24 into apprenticeships; and
 - 4,086 young people aged 16-24 into Jobs Growth Wales vacancies.

Addressing the Barriers faced by young people entering the labour market

3. 'Barriers' can be defined as **personal** (e.g. young people's lack of experience, lower level academic qualifications and poor job search skills); **structural** (variable economic conditions in different geographical areas of Wales, cyclical patterns of unemployment, transport problems and difficulty in obtaining housing); and **perception** (e.g. some employers having a negative view of young people and their level of commitment, reliability and productivity). A focus group held in February 2014 with NEET clients, jointly delivered by Careers Wales and local authority staff, within the Butetown/Riverside/Grangetown areas of Cardiff identified **personal** issues as the most significant barriers affecting young people in the labour market. Lack of motivation, embarrassment in seeking support, bad experiences in training, confidence, low self-esteem and lack of independence were cited as particularly significant.
4. **Tailored job search support has the most impact in helping people gain employment.** This involves identifying the specific needs of individuals via interview and group interventions, followed by more intensive support focused on job applications, CVs and interview practice. In Mountain Ash, Careers Wales facilitate employability courses, with referrals from Jobcentre Plus, for 16-24 year old clients. Participants who were previously unable to find work are gaining employment despite fierce competition for available vacancies. In Cardiff young unemployed people are offered support via Careers Wales "Access to Opportunities (A2O)" groups. Since the programme launch in May 2014, 145 clients have accessed A2O, some attending multiple times to take advantage of the range of support services. To date 43% of attendees have secured EET after 6 weeks, and a further 37% by 12 weeks. Feedback from young people attending has been highly positive e.g. "*Careers Wales helped me find an apprenticeship in Engineering that I was looking for*" and "*Thank you for your help cause I honestly don't think I would have been*

able to get the job without the mock interview and the help you've given me so far - I'm really grateful."

5. In the 2013-14 business year, Careers Wales met the requirements of its Key Performance Indicator (KPI) to demonstrate "Reductions in the number of young people who are outside of the Education, Employment and Training system". School leaver destinations reports identify a drop of 311 young people who were NEET in October 2013, compared to the previous year. The total reduction of school leavers becoming NEET in the five years to October 2013 is 1220. Careers Wales involvement in Jobs Growth Wales has helped the scheme provide 16,000 job opportunities, 18 months ahead of schedule, with 83% of participants moving into a job, apprenticeship or training.
6. ***Impartial careers guidance is highly effective in ensuring people sustain EET.*** Guidance identifies a young person's motivation, skills, aptitude and interest in occupational sectors. The provision of up to date labour market information (LMI) ensures that plans are realistic and achievable. In a 2013 survey of Welsh Year 11 pupils' labour market awareness, Beaufort Research found that nearly all of the students had taken into account LMI to some extent when making career plans. Respondents cited *Individual interviews with Careers Advisers* (84%) and *careerswales.com* (81%) as the most used 'formal' source of LMI, and interviews with a careers adviser the most 'useful' source of LMI. External evaluation of Careers Wales' services highlights the significant benefits gained by clients in developing their career management skills, and in making a successful transition to further learning, training or employment (for example, 96% of pupils believed their interview with a Careers Adviser had helped them).
7. In a 2014 study of education business link programmes facilitated by Careers Wales researchers found that over 90% of schools and employers surveyed felt that the aims of learning had been met. The research demonstrated that **Employer participation in school careers and world of work programmes improves young people awareness of the labour market and improves employers' perception of young people as potential workers.** Recent UK evidence shows statistically significant positive relationships exist between the number of employer contacts (such as careers talks or work experience) that a young person experiences in school (between the ages of 14 and 19) and: their confidence (at 19-24) in progression towards ultimate career goals; The likelihood of whether (at 19-24) they are NEET or non-NEET; and earnings if salaried. Young adults surveyed who recalled four or more activities while at school were five times less likely to be NEET and earned, on average, 16% more than peers who recalled no such activities.
8. **Effective partnership working improves the support available to young people in the labour market.** Careers Wales' lead role within the Youth Engagement and Progression Framework (YEPF) delivers support for the more mainstream learners to enter the labour market, whilst referring other young people with more serious and impeding barriers (e.g. poor basic skills, learning difficulties, dependency problems) to other agencies such as the Youth Service. For the first time, as a result of work by Careers Wales to tailor its client database, agencies are able to routinely share information and allocate lead workers according to the needs of clients and with a greater degree of consistency across Wales. The West region of Careers Wales reports "many instances where young people in tier 3 (unemployed NEETs) are being supported in the development of their employability skills by Careers Wales, but are transported to appointments at the careers centre by their YOS worker."
9. **The lack of suitable training provision is a significant barrier in assisting young people into work.** There is anecdotal evidence to indicate that post-16 learning providers are sometimes reluctant to work with those that are most challenging despite the fact that

the replacement of the Skill build programme with 'Engagement' was introduced specifically for this purpose." Similarly, Careers Wales has found that reductions in the availability of more flexible provision, e.g. the Prince's Trust, has reduced the range of engagement opportunities that may suit those with the greatest need. Feedback from young people suggests that prolonged induction periods in some learning provision has made training too reminiscent of the "school /classroom experience they thought they'd left behind". Overwhelmingly, learners want training to be 'work-based' and all too often, they find that they spend months in-centre and not on employer premises.

10. **Poor public transport makes access to the labour market challenging.** Feedback from Careers Wales staff identifies transport as a significant barrier to employment for young people. Public transport in Ceredigion, west Wales, cross valley transport in south Wales and public transport in many rural areas of north Wales are particularly problematical. Cuts in rural services, infrequent services and lengthy travel times are cited as specific concerns. Transport limitations also affect young people entering the labour market in our cities, with clients in Cardiff identifying cost as a major barrier.
11. **The Benefits system can have a negative impact on young people's ability to access the labour market.** Careers Wales has anecdotal evidence that small minorities of parents actively discourage or refuse to allow their children to engage in training or employment. Parents can be financially worse off due to loss of tax credits and/or child benefit, affecting the family income by hundreds of pounds.

Is the Welsh Government's (WG) NEETs strategy effective and value for money?

12. **Inconsistency in the allocation of resources and a lack of clarity in measuring success.** A key concern is the 'footprint' of NEET support. In some Communities 1st wards many agencies offer employability support, but in other areas there can be real gaps in provision. It is also not clear as to how WG measure inputs and outcomes in terms of the NEET strategy. Whilst individual projects will have targets, it is difficult to comment on whether the strategy as a whole is value for money unless it is understood how much is spent and how many people progress to EET as a result of that spending. The Progressive Engagement Project (PEP) commissioned by Conwy & Denbighshire LSB has the aim of strengthening collaborative working, develop 'smarter commissioning' and the strategic co-ordination of NEET provision. Interim findings suggest that there is an unnecessary duplication of services by organisations seeking to reduce NEETs. The Careers Wales West region reports that some local authorities continue to support 18-24 clients who are also supported by Job Centre and Careers Wales, whilst unable, due to lack of resources, to fully support 16-17 clients in tier 2 (in need of additional support). The finalization of the key worker plans will help reduce duplication of effort between agencies. Measuring the quality of the support and advice given to people across different programmes is inconsistent. Careers Wales has standards and assessments to ensure the quality of its service, however we often see CVs that have been produced as a result of a work club which are out dated or lacking in quality.
13. **Lack of support for those with the greatest needs.** There is a lack of appropriate services for young people who need more intensive support to make the transition from NEET to EET (e.g. young people with additional needs such as Autistic Spectrum Disorders - ASD). This is particularly true of unemployed young people referred to support agencies (Tier 2 of the YEPF model), where there are a high number of young people with Mental Health issues with Child and Adult Mental Health Services (CAMHS) unable to meet the demand.

What progress has been made with the YEPF Implementation Plan?

14. **Progress has been significant in some local authorities (LAs).** Examples include greater co-ordination of action at local level via the local authority EPC role, the existence of information sharing protocols (in 19 of 22 local authorities in Wales) and the subsequent exchange of information. Positive developments include multi-agency meetings to track clients where the current destination is unknown (client in Tier 1 of the YEPF Model) where individual have been referred by Careers Wales to agencies providing additional support (clients in Tier 2 of the YEPF model) and early identification of vulnerable young people. In RCT the 'Your Future First' programme is a direct result of a local strategy to ensure there is a development programme for young people who are not ready for direct entry to training or employment. In Cardiff, Careers Wales, The Youth Service and Communities First have worked together to establish Community Panels; multi-disciplinary teams organised around the Cardiff neighbourhood cluster model, that work cohesively with local schools and other community partners on local cluster basis. Since March 2014, approximately 48% of Tier 3 clients (unemployed NEETs) have been referred from Careers Wales to the panel for support from partners.
15. **There are opportunities for improvement.** The level of referrals of clients at risk of disengagement is variable. There appears to be a fairly high level of referral of clients who are unemployed NEET (Tier 3 of the YEPF model) to other agencies for additional support (Tier 2 of the YEPF model), but little movement the other way. The robustness of referrals from one agency to another can be improved and the accountability of an organisation to make a difference, in line with whatever remit they have, should be implemented. The provision of support for destination 'Unknown' clients (Tier 1 of the YEPF model) is mixed. Some LAs have dedicated teams of staff, funded from core resources, dedicated to finding young people with an unknown status. Other LAs have dedicated teams, but funded out of time bound pots of additional funding, e.g. ESF, which may have a limited 'shelf life'.
16. **Careers Wales has made good progress against its Key YEPF Actions.** Systems have been established to ensure that YEPF 5 tier model data is shared between partners and Careers Wales in a timely manner, with Careers Wales providing identified LA contacts with monthly reports. Careers Wales is implementing systems to track all young people in jobs without training and will make them aware of opportunities in EET.

How effective is the strategic role of Organizations?

17. **Careers Wales' has formed effective strategic alliances to support YEPF.** Careers Wales plays a key role in YEPF; as a deliverer of services, but also through 'tracking' clients via the 5-tier model of engagement. Strategic alliances are starting to impact on the delivery of YEPF. In RCT Careers Wales is piloting direct access to our client record database for LA employed 'transition workers'. These staff can access the client database used to populate the YEPF 5-tier model, in order to personally track clients with whom they work. Youth Workers are working with clients in tiers 1 (Unknown) and 2 (Additional Support) which has fostered a reciprocal referral arrangement between the Youth Service and Careers Wales in terms clients moving in and out of tier 3 (unemployed NEET) support. In RCT the Careers Wales is canvassing employers to offer Communities First Jobs Growth Wales opportunities, though in theory Careers Wales has no procedural role in the advertising of these vacancies. In Torfaen and Cardiff LA colleagues are seconded to Careers Wales to implement a joined up approach to targeting services at young people who are NEET, and have direct access to the Careers Wales client database. In Swansea LA the Engagement and Progression Coordinator (EPC) is seconded from Careers Wales.
18. Careers Wales South East region comments that "EPCs appear to be taking ever-increasing interest in the data provided by Careers Wales, and showing a willingness to analyze it to greater depth and query the potential for it to provide more than simply aggregate data (e.g. average time spent in YEPF tiers, movement between tiers etc.) This type of analysis involves a level of resource which, currently, is not in place and so the full

potential of this data for external partners cannot be realized as things stand.” The North region suggests that “The key requirement is for common identifiers to determine which young people are in need of support. Currently there is too much emphasis on client circumstances and not enough consideration to the individual need”.

The extent of discrimination and its impact on the recruitment of young people?

19. Proving discrimination is difficult, however, anecdotal evidence suggests a growing unwillingness from some providers to offer opportunities to young people with a history of offending and those hardest-to-help because of behaviour issues. Some young people are being referred to multiple providers with no success. Projects such as “Moving Forward” supported by Youth Justice Workers are helping to alleviate this problem. Young people aged 16-17 struggle to compete successfully with their 18-24 year old counterparts, particularly in competition for Jobs Growth Wales (JGW) vacancies. Employers comment that, all else being equal, they are more likely to offer a job to candidates with more life experience or a more diverse work history than to a school or college leaver.
20. Mechanisms for funding traineeships do not support people with significant levels of learning disability, sensory, physical or specific disabilities. Anecdotal feedback on ‘supported’ JGW vacancies suggests that the level of support provided could be improved. There are also concerns about whether some vacancies are actually suited to the supported strand of JGW i.e. the requirements of the post quite often exclude those clients who really do need this provision. Careers Wales has found that clients with dyslexia, or other learning difficulties, are adversely affected by the online recruitment processes adopted by many large employers.

How effective are the range of schemes aimed at supporting young people into work?

21. JGW in particular is effective in helping people to access work experience and converting opportunities into apprenticeships and full time jobs. Careers Wales plays a key role in supporting young people into JGW and apprenticeship opportunities, through advice and guidance and our role in managing the recruitment process via careerswales.com. Supported opportunities via Communities First and other providers have also contributed to the sense of ‘real jobs’ for those who may be significantly disadvantaged. Careers Wales has worked closely with Communities First and all providers of opportunities to ensure that these vacancies are utilised effectively.
22. Evidence demonstrates that funded-initiatives enable employers to recruit more staff. An employer in the Cardiff Business Park stated that his business would not have expanded without JGW. As a result of the scheme, he has permanently employed two young people and is about to employ his third. Whilst this is a positive outcome, it may not be a strong foundation for independent growth in the labour market.

Other Points

23. There is a strong body of evidence to demonstrate that the careers information advice and guidance services:
 - improve the efficiency of labour markets by reducing skills mismatches and helping people to realise their potential;
 - smooth transitions into the labour market, training and further education;
 - increase attainment in education and training (particularly of maths and English);
 - reduce drop-out from education and training;
 - reduce youth and adult unemployment; and
 - support social justice and mobility.

Research indicates that such benefits significantly outweigh the costs of providing careers information, advice and guidance (CIAG) services. For example, based on costs identified by the Audit Commission, the work done in 2013-14 by Careers Wales to prevent clients

from becoming NEET has saved an estimated £258,832,000 in public welfare costs (the current annual budget for Careers Wales eight times over) and £480,688,000 in costs to the economy. In addition, evidence suggests that other Careers Wales services also make a significant return on investment.