

# ENTERPRISE & BUSINESS COMMITTEE INQUIRY ASSISTING YOUNG PEOPLE INTO WORK WRITTEN EVIDENCE

## BACKGROUND

The Welsh Government is committed to supporting the engagement and progression of all young people aged 16-24 years in Wales. We first set out our expectations for the delivery of Youth Support Services to support the engagement and progression of young people in *Extending Entitlement: supporting young people in Wales (2000)* and further directions and guidance in 2002. An on-going commitment to reduce the number of young people who are not in education, employment and training (NEET), was set out in the Tackling Poverty Action Plan. Published in July 2013, the action plan sets targets to:

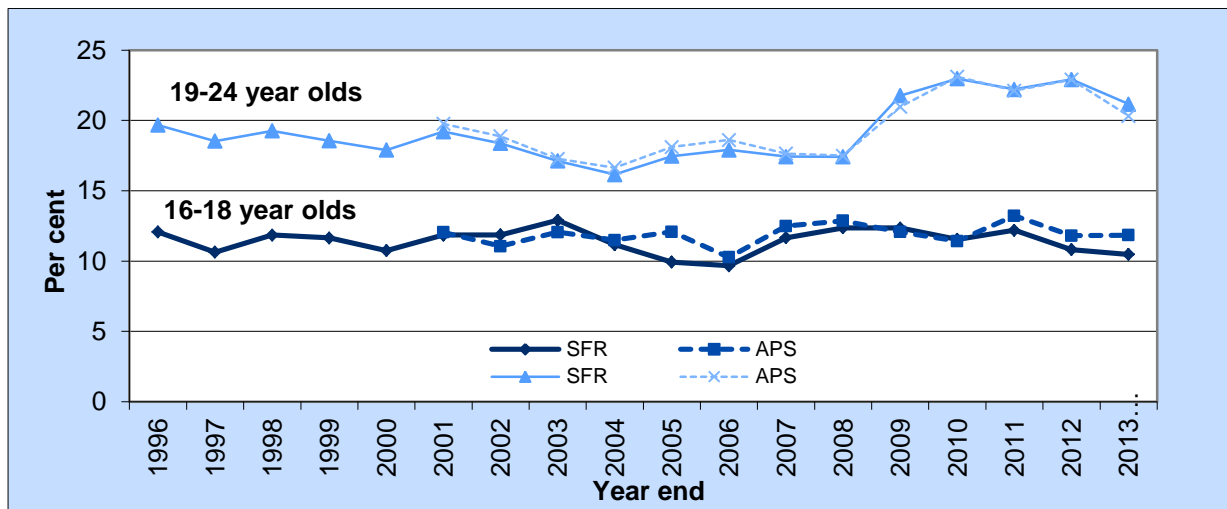
- reduce the number of NEET young people aged 16-18 to 9% by 2017
- reduce the proportion of young people aged 19-24 who are NEET in Wales relative to the UK as a whole by 2017.

## THE DATA

The number and proportion of young people who are NEET in Wales is published annually in the Statistical First Release (SFR), *Participation of young people in education and the labour market*. The release provides information on the learning activities and labour market status of young people aged 16-24 in Wales and is based on population data, school pupil numbers, information on enrolments at Further Education Institutions in Wales, including work-based learning and enrolments at Higher Education Institutions, alongside economic activity data from the Annual Population Survey.

The chart below shows that the proportion of 16-18 year olds who are NEET has remained around 10 to 13 per cent since 1996, decreasing to 10 per cent at end 2013. Prior to the start of the 2008 recession the proportion of those aged 19-24 who are NEET was broadly stable. However after the start of the 2008 recession the proportion of 19-24 who are NEET saw a large increase from 17 per cent to levels around 22 to 23 per cent from 2009 onwards, with a decrease to 21 per cent in the latest period. The 2008 recession could therefore be interpreted to be a contributory factor to the higher levels of those NEET amongst 19-24 year olds in recent years. The chart below shows estimates from the Annual Population Survey alongside the Statistical First Release data.

## Young people NEET in Wales: Comparison of estimates in the Statistical First Release and using the Annual Population Survey<sup>1</sup> (calendar year)

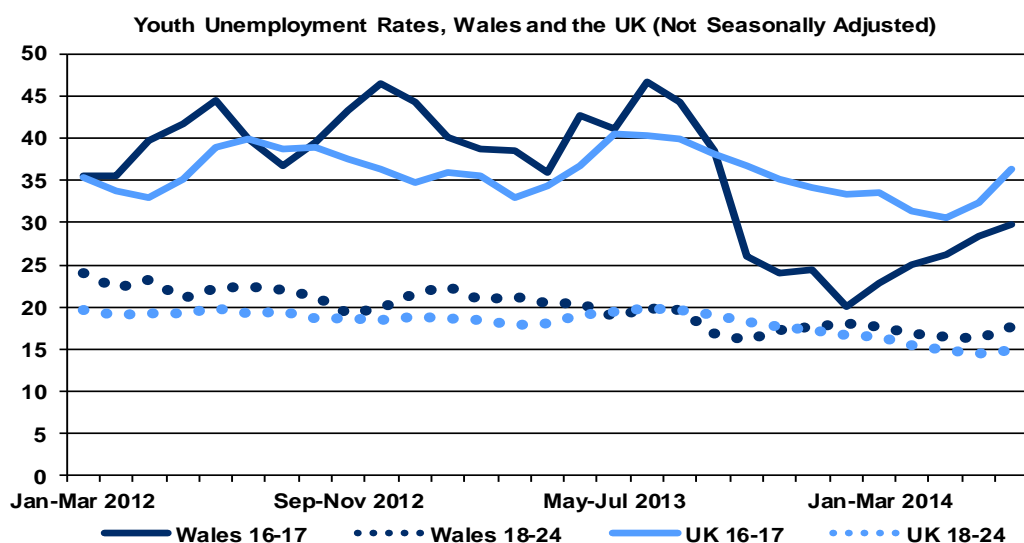


(p) SFR: Year end 2013 is provisional

<sup>1</sup>For years 2001-2003 the source is the annual Local Labour Force Survey for Wales<sup>1</sup>

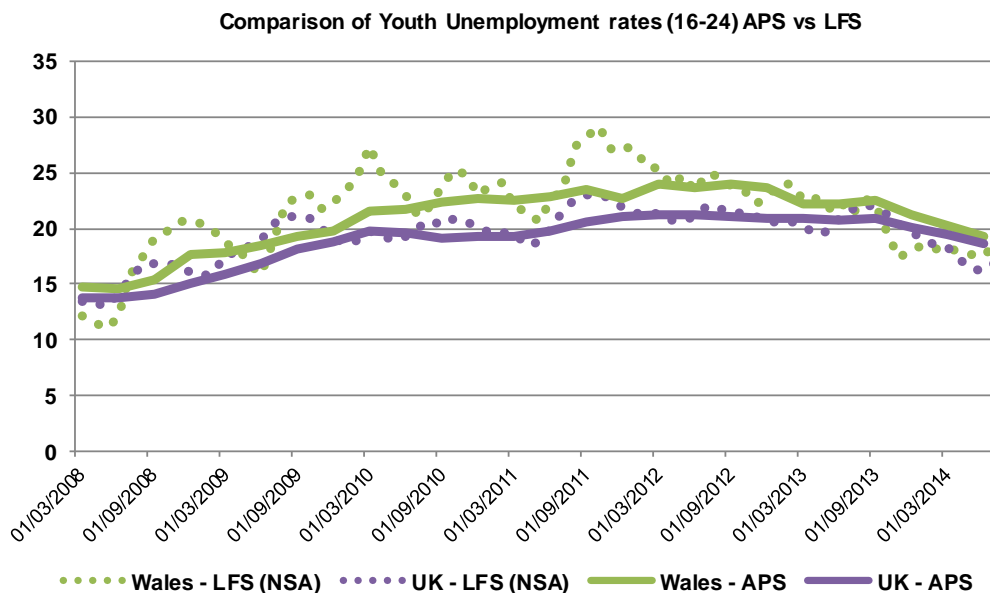
For youth unemployment, there are two sources of data, the monthly Labour Force Survey (LFS) and the preferred, more robust but slightly less timely, quarterly Annual Population Survey (APS). The information below relates to data up to and including June 2014 for the APS and data up to and including July 2014 for the LFS.

The LFS statistics show that up to July, and for the 16-17 age group, Wales had an unemployment rate of 29.7 per cent with a decrease of 11.4 percentage points over the year compared to the UK rate of 36.3 per cent (down 4.3 percentage points over the year). For the 18-24 age group Wales had the third highest unemployment rate of the UK countries and English regions at 17.6 per cent (down 1.2 percentage points on the year). The UK average 18-24 age group unemployment rate was 14.9 per cent (down 4.5 percentage points over the year).



<sup>1</sup> [Statistical Bulletin Young people not in education, employment or training \(NEET\) \(Year to 31 December 2013\)](#)

The APS results up to June 2014 show that youth unemployment for the whole age group 16-24 is falling faster in Wales than in the UK. Both the APS and the LFS also show the rate to be above that of the UK.



## REDUCING THE NUMBER OF YOUNG PEOPLE NOT IN EDUCATION, EMPLOYMENT OR TRAINING

### The Youth Engagement and Progression Framework

Given the on-going economic challenges we face as a country we are committed to ensuring the best possible opportunities exist for maximising youth engagement and progression in Wales. Despite the data showing that improvements have been made in recent years there has been a need to reinvigorate our approach in order to secure further improvements. The Youth Engagement and Progression Framework and Implementation Plan<sup>2</sup>, published in October 2013, seeks to bring together all of the elements of effective NEET reduction in one place.

The Framework is built around the needs of young people where better availability of information enables the young person to act as a more powerful consumer in the system and where the accountability of different agencies for delivering better outcomes for young people is strengthened.

The foundations of our approach are based on six key building blocks:

- Identifying young people most at risk of disengagement.
- Better brokerage and co-ordination of support.
- Stronger tracking and transitions of young people through the system.
- Ensuring provision meets the needs of young people.
- Strengthening employability skills and opportunities for employment.
- Greater accountability for better outcomes for young people.

<sup>2</sup> [Youth Engagement and Progression Framework Implementation Plan](#)

The Framework sets out the role of Welsh Government, local authorities and other partners in increasing youth engagement and employment in Wales. The Youth Engagement & Progression Framework and Implementation Plan are non statutory, but complement existing guidance (Extending Entitlement 2002) by providing examples of how to implement targeted approaches to the provision of youth support services. The Framework is underpinned by a two year implementation plan.

A recent Wales Audit Office report<sup>3</sup> into young people not in education, employment and training highlighted that the Welsh Government “*is well placed to reduce the number of young people aged 16-18 who are NEET*” and if implemented successfully the Youth Engagement and Progression Framework is “*likely to help reduce the overall number of 16-18 year olds who are NEET*”.

The purpose of the Framework is to provide a systematic mechanism for local authorities to identify those in need of support, to establish the support available, and to track the progress of young people as they make the transition from education into further education or employment. The Framework provides the structure to help local authorities to establish whether local and national provision is delivering effective outcomes and value for money through the measurement of reductions in numbers of young people NEET at a local level.

At the heart of the Framework are two new actions, the first is the offer of a lead worker within a relevant organisation who can provide continuity of support and contact for the most at risk young people. The second is the development of a proactive Youth Guarantee which is the offer, acceptance and commencement of a suitable place in education or training for a young person making the first time transition from compulsory education at age 16. We believe this will provide a clear progression route for all young people, linked to effective information, advice and guidance to help them make a more informed choice, and support their progression post 16.

There is no additional cost to implementing the Framework; it is intended to help local authorities refocus their existing expenditure as a result of mapping provision to identify potential gaps, recognise any unmet provision need and importantly removing any duplication and overlaps in provision.

We believe local authorities are best placed to provide strategic and operational leadership for the Framework’s implementation. Each local authority submitted an action plan in March 2014 confirming their commitment to implement the milestones set out in the Framework’s implementation plan. Welsh Government officials have analysed each action plan using contextual, post 16 destination and quarterly Careers Wales progression data to identify potential delivery risks and to monitor progress. This analysis has been discussed with local authorities during bi-annual review meetings with Welsh Government officials to ensure local authorities are delivering the right support to these young people.

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<sup>3</sup> [Wales Audit Office Report - Young people not in education, employment and training](#)

Regional Working Groups, facilitated by Welsh Government, have been established which include local authorities and representation from Careers Wales, FE, Work Based Learning, NTfW, Regional Education Consortia, schools and the Third Sector. The workshops are themed around the different areas of the Framework in order to share experiences, highlight good practice and to help Welsh Government develop any further guidance required.

Each local authority has a Welsh Government lead contact who works closely with them to support their implementation of the Framework, ensuring that they meet the milestones within the implementation plan. A formal evaluation of the Youth Engagement and Progression Framework is currently underway. The evaluation programme is split in to two phases; and will continue until 2018. The first phase will provide evidence about the effectiveness of the framework in facilitating local authorities and their partners to engage young people. The second phase will be an impact evaluation of the Youth Engagement and Progression Framework.

### **Improving Education-Employer Engagement**

As part of the employability strand of the Framework we have committed to strengthening employer engagement in schools. The Enhanced Employer Engagement project will aim to establish more strategic, coherent and sustainable approaches to education-employer links which will help prepare young people more effectively for transition into the world of work. We want to introduce a more consistent 'partnership model' and use the new model to create new and higher expectations of school-employer links across secondary schools in Wales.

Welsh Government is also leading on the development of an ESF project which will be delivered by Careers Wales and is called 'Activate your potential'. Activate your potential aims to provide employer-linked activities and opportunities, supplemented with careers information; advice and guidance to young people aged 11-19. These young people will typically demonstrate patterns of attendance, levels of attainment, general conduct and broader employability skills that place them at risk of disengaging from education, employment or training.

### **Careers Advice and Guidance**

Careers Wales provides an all-age, bilingual and impartial Careers Information Advice and Guidance (CIAG) service. There is a statutory duty on Welsh Ministers to provide CIAG services to young people in schools and colleges, a responsibility they discharge through the services delivered by Careers Wales.

During the period of April 2013 to March 2014, Careers Wales supported 3,794 young people into employment, apprenticeships or Jobs Growth Wales opportunities:

- 826 were 16 to 18 year olds
- 2,968 were 19 to 24 year olds

Careers Wales provide targeted services to support young people who are not in employment, education or training. Careers Wales are highly effective in supporting young people to get on in life. In 2013-14 a total of 5,199 (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.

These actions support the wider agenda of Poverty Reduction in Wales: Stakeholders support the value of the contribution made by Careers Wales in this regard - *“The opportunity to work together (with Careers Wales) and access impartial careers advice has been hugely beneficial in our task of helping people into employment, particularly in respect of many of our customers who have never worked and who lack clear and realistic career aspirations”*. (Huw Thomas, Group Partnership Manager, Wales, Department for Work and Pensions – June 2014)

Careers Wales are working to effectively connect with regional Labour Market Information and economic development plans. *“Careers Wales provides a clear consistency in terms of approach with schools; employer engagement; co-delivery with education partners on STEM and other regional priorities.”* (Iwan Thomas, Regional Skills & Employment Coordinator, North Wales Economic Ambitions Board – July 2014).

### **Traineeship Programme**

The Traineeship Programme is a non-employed status training programme for 16-18 year olds not otherwise engaged in post-16 education or employment. The Programme supports young people to gain sustained employment by helping them with their confidence and motivation. The Programme seeks to improve skill levels through the delivery of entry level qualifications up to NVQ Level 1 in their chosen occupational area. Progression rates for young people leaving the Traineeship Programme are encouraging. In its first year of operation, 63 per cent of leavers from the Traineeship programme had a positive progression (i.e. to employment (including self employment or voluntary work) or learning at a higher level). For year 2 (2012/13) progression statistics show that 67 per cent of leavers from the Traineeship programme had a positive progression (i.e. to employment (including self employment or voluntary work) or learning at a higher level).

A two year evaluation of Work-Based learning will run until 2015. The evaluation will specifically take account the Traineeship Programme to seek to establish whether or not it is operating as intended, and consider key lessons for future development of the programme.

### **Young Recruits Programme**

The Young Recruits Programme (YRP) is an all Wales programme that provides financial support to eligible employers who can offer a high quality apprenticeship programme to recruit and train additional young apprentices (16-24 year olds). The YRP offers a subsidy of £50 per week to employers for up to 52 weeks to support apprentice’s wages. YRP has been extremely successful in supporting Apprenticeship delivery and we have exceeded our Programme for Government commitment to support 4,000 apprentices during 2013-15.

### **Apprenticeships**

The Welsh Government fully supports Apprenticeships in Wales and this remains one of its flagship programmes. Apprenticeships are a way to earn a wage and work alongside experienced staff to gain job-specific skills. The Welsh Government pays

for the training element of Apprenticeships, whilst the employer is responsible for the employment costs, such as salary. Any company in Wales, whatever size or sector, can engage with the Apprenticeship programme. One of the key aims of the programme is to support businesses wishing to take on an apprentice, thereby providing investment to assist businesses to develop a skilled workforce and contribute to economic growth. In Wales, the all age programme, has targeted support to those aged between 16 – 24 years so that we can ensure we get the right balance between serving the needs of young people entering the labour market, and providing options for adults.

Over the last few years, the success rate for the Apprenticeship Programme has been raised significantly reaching over 80%. The programme is supported by an Apprenticeship Matching Service, which is a free online tool for both employers and potential apprentices to access to advertise and apply for Apprenticeship vacancies.

### **Jobs Growth Wales**

The Welsh Government recognises that reducing the number of young people who are NEET in the ages of 19-24 is more challenging as the statistics highlight it is impacted by a number of issues, specifically economic and employment factors which fall under the remit of the UK Government.

The Jobs Growth Wales programme launched in April 2012 was developed as a direct response to the disproportionate effect on the unemployment levels experienced by young people across Wales. It was introduced to create jobs for young people who are unemployed but ready to take up employment. Jobs Growth Wales has been designed to tackle a key issue that young people face in their search for work; namely, how can they secure the relevant work experience required by employers to enable them to find permanent employment. Not only does Jobs Growth Wales create opportunities for unemployed young people, but the posts are also “additional” jobs, helping Welsh businesses to grow.

Latest unemployment figures suggest that Jobs Growth Wales is having a positive impact on reducing youth unemployment in Wales, as the rate of unemployment is falling faster in Wales than any other region of the UK. The programme has now created over 16,000 job opportunities with over 12,700 young people filling these jobs. Jobs Growth Wales has exceeded its target of filling 12,000 job opportunities over three years of delivery ahead of schedule.

### **Skills Policy**

On 30 January 2014, the Welsh Government published its Policy Statement on Skills which outlined the major challenges facing post-19 employment and skills in Wales over the next decade. To address these challenges, a Skills Implementation Plan was produced and in July.

The plan sets out the policy actions required in order to develop a sustainable skills system for the future. It has the aim of supporting Wales to evolve into a highly skilled nation and to create the conditions which will allow businesses in Wales to grow and flourish. To achieve this aim the Welsh Government recognises there must

be responsible action from government, employers, providers and individuals particularly in regard to investment in skills.

The plan focuses on providing an integrated and accessible employment and skills offer across Wales. For example, the new Skills Gateway will facilitate access to employment and skills support for both employers and individuals. The plan also sets out how we will strengthen the approach to regional skills delivery, building on the regional structures in place across Wales.

The Welsh Government is committed to continuing to work with employers, trade unions and delivery partners to deliver this plan and achieve a sustainable and competitive skills system for Wales.