



Select Committee on Youth Unemployment

Corrected oral evidence: Youth unemployment

Tuesday 16 March 2021

10.15 am

Watch the meeting

Members present: Lord Shipley (The Chair); Lord Baker of Dorking; Baroness Clark of Kilwinning; Lord Clarke of Nottingham; Lord Davies of Oldham; The Lord Bishop of Derby; Lord Empey; Lord Hall of Birkenhead; Lord Layard; Baroness McIntosh of Hudnall; Lord Storey; Lord Woolley of Woodford.

Evidence Session No. 1

Virtual Proceeding

Questions 1 - 16

Witnesses

I: Sue Lovelock, Director of Professional and Technical Education, Department for Education; Keith Smith, Director of Post-16 Strategy, Department for Education; Tammy Fevrier, Deputy Director, Youth and Skills, Department for Work and Pensions; Tony Younger, Deputy Director, Labour Market Analysis, Department for Work and Pensions.

USE OF THE TRANSCRIPT

This is a corrected transcript of evidence taken in public and webcast on www.parliamentlive.tv.

Examination of Witnesses

Sue Lovelock, Keith Smith, Tammy Fevrier and Tom Younger.

Q1 The Chair: Welcome to this evidence session of the Youth Unemployment Committee. This meeting is being broadcast live via the parliamentary website and a transcript of the meeting will be taken and published on the committee website. You will have the opportunity to make corrections to that transcript, where necessary.

Today, we are taking evidence from the Department for Education and the Department for Work and Pensions. I am going to ask the four colleagues from those departments to introduce themselves.

Tom Younger: Good morning, everybody. I am the deputy director for labour market analysis at the Department for Work and Pensions.

Sue Lovelock: Good morning. I am the director of professional and technical education in the Department for Education.

Keith Smith: Good morning. I am the director of post-16 strategy in the Department for Education.

Tammy Fevrier: Good morning. I am the deputy director for youth and skills in the Department for Work and Pensions.

Q2 The Chair: Thank you all. We have apologies from Baroness Newlove. We have a 90-minute session together. Could I remind colleagues in the House of Lords that, the very first time you speak, you need to make the formal declaration of interest that you submitted to the secretariat? We have a set of questions that colleagues will be asking, but they may wish to ask supplementaries.

I would like to set off with the very first question that I would like to ask. I have always wondered about the ways in which DfE and DWP co-ordinated policy responses, both across Whitehall and more generally across the country as a whole. In particular, in the context of Covid-19, what key lessons have you learned as departments?

Tammy Fevrier: We recognised that young people would be significantly impacted by the economic downturn. As your framing for this committee's work rightly set out, that is often the case, unfortunately, in the light of economic downturns and the significant economic consequences of recessions. With this particular experience, we have noted that entering the labour market in a weak economy can lead to earnings and employment scarring for young people.

We know that young people in particular were working in sectors that were most likely to be significantly impacted by the national and regional restrictions that we have seen throughout Covid, suggesting to us at the outset that the economic impacts of Covid-19 are likely to disproportionately affect young people, perhaps to an even greater extent than previous recessions. Even prior to Covid-19, as the committee has already highlighted, we know that 18 to 24 year-olds have seen persistently higher unemployment rates than other age groups.

Collectively, between both departments and particularly in terms of the overall government response to the economic downturn, we considered evidence from previous programmes to look at what works in supporting this customer group, as you might expect. That included the youth obligation support programme, which is the predecessor programme of the new DWP Youth Offer that we have in train at the moment, as well as the lessons that can be learned from our response to previous recessions. You can think about, in particular, the future jobs fund and the work programme, which those of us who have been around this territory for a while will well remember.

We engaged with key external voices, which is hugely important in terms of how best to frame the government response. That included the Youth Employment Group, which was formed by Impetus, the Prince's Trust, the Youth Futures Foundation, the Institute for Employment Studies and Youth Employment UK. It was framed to bring together key leaders and experts in the youth-employment sector.

Throughout the pandemic, the Government have provided an unprecedented economic support package to protect and create jobs. Part of that, as was framed in the plan for jobs document last year, was the Youth Offer, which is the wraparound support programme that helps young people access so much of the positive provision that was stood up as part of that plan for jobs, including Kickstart, our sector-based work academies, apprenticeships and traineeships, alongside our local work-related provision.

The DWP Youth Offer is incredibly important and perhaps does not get as much of a plaudit as a programme such as Kickstart, but, in framing, supporting, guiding and engaging young people, that is the framework by which we have taken that approach forward, particularly from the DWP angle.

Alongside making sure that we have communicated well, with paid advertising, such as targeted adverts on Snapchat, Instagram and YouTube, being a good place to start, a key lesson we have learned is that we need to have a more flexible approach: one that not only can adapt to suit the changing face of the pandemic and any national lockdowns and restrictions, but is flexible in response to the various needs that young people present with.

Young people are not a homogeneous group, as we well know, so understanding and tailoring our support to those specific needs has been very important. It has been central to the way we would approach this. I like to speak of the Youth Offer as a national framework, while encouraging my team to design it to be as loose as possible. We have right-fit elements in there to make sure that we are supporting young people in the way that we would like to through our youth employability coaches and youth hubs, but it is flexible enough to respond to the needs of young people in particular places.

Getting that blend right has been particularly important. A lesson we have taken on board from previous experience is to have a place-based approach that brings together as many stakeholders of interest as

possible, and we are always in the market for more, to make sure that we are shaping, framing and responding in real time. This is not a fixed, one-size-fits-all approach but about adapting to changing circumstances in a very dynamic situation.

Keith Smith: I will not repeat much of what Tammy said, because she has given a really comprehensive response. We would like to underline that point about creating the infrastructure needed for local people to engage in the local labour market with local business and local jobs. One of the significant influences that we have been reflecting on in the response to Covid and the skills White Paper that we published recently is building better infrastructure that links young people with local business.

To optimise that, it is really important to think about the whole life cycle, as we describe it, to support young people from how they get information, advice and guidance on careers all the way through to the incentives that we are trying to build with local business to create and sustain jobs over the medium and longer term. I am sure that, throughout this morning, we will be able to explore that a little more, but I wanted to underline the critical importance of high-quality local infrastructure and understanding the needs of local business. Bringing small businesses into the skills system is critical. We know that the needs of big businesses are a little different to those of small or micro businesses.

Trying to build a skills strategy and policy that supports the entirety of that, so that all young people are serviced and catered for, has been really important. We have been very mindful of locality and place, as Tammy has said, as well as disadvantage and the risks of certain groups of young people being left behind. We have been trying to learn all those lessons from the past, and to build out from what we have learned from Covid to how we want to see the future skills system play out over the long term.

The Chair: Are you happy with the way in which the departments talk to each other? Could things be better? Do you have any ideas for how structures might be improved to make communication between the two better, or is it perfect?

Tammy Fevrier: That is a leading question. There is always room for improvement. I have been struck by just how close and collaborative the working relationships are. I have been in and around social policy for a number of years across DWP and beyond, but there is a real shift, if I am totally honest with you, in how collaborative the objectives are between the respective departments. Equally, as Keith was pointing out, it is about not just making but implementing the policy and understanding where the complementarity is in particular. I meet with DfE colleagues on a near-daily basis to look not just at youth unemployment through my portfolio but skills.

We work with Keith and his teams on apprenticeships and traineeships, as well as the work we are doing on young people not in education, employment or training. We are increasingly looking forward at what

support we offer for school leavers and graduates. That alignment of the employment and skills offer is integral to making sure not only that we build out of the recession but that we build sustainably through that.

The joint working is great. I am delighted that I have been able to put DfE policy directors in contact with colleagues I speak to regularly in the Jobcentre Plus national employment partnership teams, for example, so that, when they are thinking about internal campaigns to reinforce the importance of skills in our labour market support for claimants, they are mindful of the ever-changing and flowing offers. That is continuing and, hopefully, that Keith will echo. I am sure he can also give you some pointers on areas that we can improve on.

Keith Smith: I am quite fortunate, in that I did eight years in the DWP when I started my public service, and I have done 20 years on the FE and skills side. I can honestly say, from personal experience, that our relationships have never been stronger than they are now. We have collaboration and engagement at all levels and at official level. There is something really encouraging about how we are developing policy together, which I hope you will see in the work that we are doing now and how things are starting to join up much better than they ever have.

Of course, we are trying to support Ministers to do the same. When we were developing the skills White Paper, we had a cross-government ministerial group that met to discuss the shape of the strategies that we were putting together. I just wanted to reinforce that the relationships with DWP are critical but, in order to get the skills system really world class, it is important that we connect across all government departments.

Q3 Lord Woolley of Woodford: My declaration of interest is that I am a founding member of the Youth Futures Foundation. What account has been taken of sectoral issues—Tammy, you mentioned places and locality—in relation to youth unemployment and Covid-19? What has your collective response been?

Tammy Fevrier: From a DWP perspective, we are continuing to engage across government to understand supply and demand across the labour market throughout and beyond the Covid-19 pandemic. Having been in DWP for a number of years, I see us as integral in recognising that, for our claimants, universal credit is an in and out-of-work benefit and in understanding what the sectors are looking for, in order to support people to enter work and, increasingly, to progress through employment. We have been working closely with BEIS, which has lead responsibility across government for key sectors and sector bodies, to identify and promote opportunities within high-demand sectors.

Part of that is making sure that our jobseekers are able to access those labour opportunities. Equally, we recognise that people sometimes have to pivot between sectors, particularly in these constrained times and with the limitations on the sectors that they might have come from, such as retail and hospitality, given the particular challenges there. We are working hard across government to understand what people can do and what those transferable skills look like, so that we can influence the local skills provision, working with colleagues in the Department for Education,

the Skills Funding Agency, skills advisory panels and other bodies, to make sure that the local support offering is commensurate with the local need. That echoes what Keith was describing earlier and I am sure he will want to lean into that.

From the DWP perspective, we are increasing the number of work coaches in our jobcentres quite significantly to provide the support that jobseekers need to find work. That includes pivoting into high-demand jobs. I have called out the diminishing opportunities, which I am sure Tom and others will speak to a bit later, in retail and hospitality, but there are high-demand sectors such as adult social care, digital and technology that are growing now. We want to make sure that as many claimants as possible who would benefit from those opportunities can do so.

I would also talk to our sector-based work academy programme. That scheme offers training, work experience and a guarantee job interview to those who are ready to start a job. It allows people to learn the skills and behaviours that employers in particular industries are looking for. I joined a virtual SWAP, as we call them, not so long ago. It was in construction in the south-west, with our Minister for Welfare Reform. It was a stunning opportunity to ensure that people who would never have tried construction as an opportunity were able to focus on the beneficial outlet that work is and can provide. It was bitesize taster and wraparound with skills as part of that. Rather than a guaranteed interview, the guys would go around selecting people from the particular sites once they had done their training.

It is an example of positive, joint wraparound support through DWP and DfE that really gives people a taster of a new sector that they might not have thought about before. The person I spoke to was in an office job previously and would never have tried construction had that opportunity not been presented to him, and he loved it. That is a way forward. We want to engage with people and think about what they can do. That is a big shift for us.

It would be remiss of me not to talk about the websites that are available, jobhelp and employerhelp, which were launched by the department in response to Covid, again thinking not just about job search advice and signposting but about what things look and feel like from the perspective of the jobseeker and the employer. That can be a barrier: "I don't know what that sector would involve. Could I be good at it?" We need to have the tools and information for people to support that.

Keith Smith: It is really important to reflect on sectors. We have talked a little about locality and place. Sectors are central and, in many ways, one of the really exciting things that we can do, now working with DWP and BEIS, in thinking about how we get the skills system aligned. We know that many young people have a number of barriers, not just entering the labour market for the first time but in relation to the impact of Covid, where, as you know, many in retail have been particularly affected.

We are very mindful of how we support people in certain industries and sectors, not only because they are really important for growth and future prosperity but because, in the short term, they are sectors that are more significantly disadvantaged due to the impact of Covid. The sector dimension is really central to what we are doing.

There are a number of things that we are doing to support that, as Tammy said. I will highlight a few others, but Tammy has highlighted the importance of prioritising certain sectors. You will know that we have bootcamps that are designed to help young people get short, sharp support in skills. We are doing that with construction, digital, data analytics and other occupations that face skills shortages to try to signpost and help young people into those areas where the jobs and the economy are a little more buoyant in the current term.

The other critical thing is making sure that we have underpinning infrastructure to support all that through what we announced in the White Paper on the lifetime skills guarantee. For the first time, we have a guarantee for all young people who are able to access skills support at level 2, which is equivalent to GCSE. That support is going to be available to all young people all the way up to level 6. For the first time, in 2024-25, we will be putting in place a universal student finance system for young people to access level 4 and 5. It is really important, with that sectoral dimension, that we focus on the skills that the economy and the country need most. That is where our efforts and our investment are targeted.

Sue Lovelock: There is something about the short-term sectoral focus but also future-proofing our interventions and thinking about areas that are going to grow in the future, whether that is green jobs or advanced manufacturing. Planning for the now, but also thinking about where the areas of growth are going to be in the future, is critical to our interventions.

Lord Woolley of Woodford: The departments will know that black, Asian and minority ethnic communities are four times more likely to lose their jobs during this pandemic. What is the understanding and the response, and has it fed into the Commission on Race and Ethnic Disparities, which will be launched in a week or so?

Tammy Fevrier: I recognise that the committee feels strongly about this. Lord Woolley, I know that you met with our Minister for Employment fairly recently to discuss the employment rate of black and minority ethnic young people. As I described earlier, the support we have available at the national level has been designed with personalisation in mind, thinking hard about the particular needs that a young person has entering or progressing in the labour market. That is a lens through which the Youth Offer in particular has been developed.

As the Minister for Employment would have stated to you in that meeting, we understand that there is still a need for targeted support, which can be provided through local jobcentres. You will have seen examples of that

happening. I was in Hackney jobcentre the other day, which is doing some great initiatives to support young people in its patch.

As a Government, we have unlocked about £90 million from dormant bank accounts to go towards activities that are looking to address the disparities in youth unemployment. With a focus on data from the Government's race disparity audit, an additional £10 million was released during the pandemic to help organisations that support unemployed disadvantaged young people, including those from ethnic minorities, into employment.

There are a few additions to the wider Youth Offer. Mentoring circles are not often mentioned very much. They involve employers offering specialised support to unemployed, ethnic minority jobseekers aged 16 to 24. They provide customers with opportunities to build confidence, raise aspirations and improve job search skills and, at the same time, they help employers understand and revise their recruitment practices.

It is about not just helping young people but myth busting. We need to recognise that this is as much a challenge for us as a department, in making sure that young people are ready and able to take on the opportunities available to them in the short and medium term. Equally, it is about employers recognising the value that all young people, including black and minority ethnic people, can bring to their organisation. Organisations are much better when they are represented by the society they serve, and this committee is a case in point, as is Parliament as a whole.

We are also working in partnership with local bodies and taking action in 20 targeted areas to open up more opportunities for all ethnic minority customers. That is based on our own research and on data from the race disparity audit. We will be intending to roll those lessons learned out across the country. As part of that, we are working in partnership with the Black Training and Enterprise Group, a national charity delivering programmes for young ethnic minority people. Our work in that area is to help young black men aged 16 to 24 into secure, skilled jobs in London. Those are jobs in higher-earning sectors as well, such as construction, financial services and information technology.

As I mentioned at the beginning, we are constantly monitoring and evaluating the offer. We are listening to and seeking out different voices to make sure that, as we look to improve and refine that offer, we do so commensurate with the needs of people from all backgrounds and persuasions. I hope, Lord Woolley, that that goes some way to responding to your question.

Q4 Lord Storey: Before asking my question, could I declare my interests as a patron of Career Connect and a vice-president of the Local Government Association? I want to explore this issue of collaboration and co-ordination across departments. We have heard about myriad initiatives that you have taken. I want to understand, and perhaps you could talk me through, how this co-ordination and collaboration works on a practical, day-to-day basis. How often do you meet? What happens from those meetings? What happens if you cannot resolve an issue? At what

sort of level do you meet? Do you look at all these initiatives that we heard about and say, as a team across departments, "This is not quite working in this way. How do we change that?" Rather than just telling me about the initiatives, tell me how you adapt them and make them work.

Tom Younger: Since the start of the pandemic, as you can imagine, the Government were looking across a range of data sources to understand the scale of the issue and what was going on. One of the first things to be hit was the universal credit caseload. We had very timely information about what was going on with universal credit: how many claims we were getting and what sort of people we were seeing coming on to our books. We worked with analytical colleagues across a range of government departments, DfE, BEIS and Treasury, to understand the problem, so we were all working from a similar background and level of knowledge.

Since then, we have worked very closely with teams across DfE, and not only on the policy side. There are weekly meetings at director level across DfE, DWP and BEIS. As Keith and Tammy were saying earlier, there are meetings of officials and Ministers at all levels of the organisations. On the analytical side, we are interested in working together on big questions, as we have talked about: what the sectoral impacts have been, and what the economy might look like in six months, a year or five years, based on the Office for Budget Responsibility work. There is daily contact between the analytical teams across government, so that we are all getting the latest information and understanding what is going on.

Are our policies working? We are doing a number of things on that front at the moment. We are collecting management information on the schemes that are already live. On Kickstart, for example, there is a whole range of management information. On SWAPs—the sector-based work academy programme—there is more information. We are getting information flows from Jobcentre Plus on how many people and who we are talking to, in order to provide back-to-work support. We exchange this information across departments. For example, analysts at the Department for Education will let us know what is going on with apprenticeship or traineeship numbers. We have basic levels of what is happening on the ground.

Are things working as we intended? We are doing a number of things on that side. We are looking at universal credit in terms of how many people are re-entering employment, so we match that to data from HMRC to look at how many people are going back into employment. That gives us a high-level overview of what is happening on our side of the house. We can break that down by characteristics, such as who is moving back into work more quickly than other groups. My team developed something that we call *The Labour Market Story*, which we share across government departments, so that everyone gets the latest intelligence.

We are also carrying out a series of process evaluations to review how our interventions are landing on the ground. What do work coaches in jobcentres think of the range of packages? Do they understand which people they should be referring to which programmes to give them the

best chance of success in getting back into employment, while ensuring value for money?

There is a lot of work going on. On most of these programmes, the possible exception being SWAPs, it still is early days in terms of outcomes and impacts. As time goes on and more people go through these programmes, we will be keeping a very close eye on outcomes before carrying out formal impact evaluations later down the line.

That was a bit on evaluation. We will talk more about this and about analytical collaboration later, but I am happy to pass to colleagues now to talk about the policy side of things.

Sue Lovelock: I can pick up on the policy side, how we meet and how it works. There is a huge amount of organic engagement between lots of officials and teams in the two departments. At senior levels, there is regular engagement between directors in DWP and DfE.

We have more formal engagement structures, particularly for specific projects and programmes, where departments that have key areas of interest are represented. That happens between the two departments here today, as well as more widely across government. We have formal Cabinet committee structures for securing cross-government agreement when we are making key policy decisions or interventions. It is important to ensure that Ministers have that opportunity to come together and compare notes. We have support in doing that from our colleagues in the Cabinet Office.

One of your questions was about what happens if we disagree. Almost all the time, it is perfectly harmonious but, on the rare occasions when there are areas of difference, we can rely on our colleagues in the Cabinet Office to help us navigate those areas. It is very rare, though.

Tammy Fevrier: Do not forget our directors-general. The labour market steering group is the lead director-general cross-government forum for the labour market. That is recognised as one of the leading labour market boards, with cross-government representation at DG or director level. It is across the range of departments that you would want when looking at something as wide-ranging as the labour market, not just DWP but MHCLG, Home Office, DfE, Treasury, Cabinet Office, BEIS and No. 10. There are lots of very high-level forums and the input to them feeds down, to make sure that we are co-ordinating our approach.

It is the right question to ask. There are lots of initiatives. Do they make sense? There are various layers at which we need to consider that. Tom has described some of the analytical and evidence aspects. For us in our department, it is thinking about whether our work coaches understand what the right provision is, in conjunction with the claimant who is with them, to support them on their work and career journey. Equally, do the people at local level who need to be making those choices about the provision in areas understand that?

We are investing quite a lot of time and effort into making sure that we have the regular internal structures that support those wider

conversations. It is definitely the right question to ask and a very live one for us.

- Q5 Lord Storey:** I was interested in the process evaluation and the labour market steering group. Let us take Kickstart. There has been quite a lot of concern about the position of 16 year-olds and that, to qualify for Kickstart, you have to be taking universal credit. As a team working collaboratively, how would you address that issue? How would you try to resolve it, or not, as the case may be? To what level do you take it, to change the practice?

Tammy Fevrier: When it comes to the DWP part of this, we do not have very many 16 year-olds as part of our active benefit claiming system at the moment. The vast majority will be in education. As a department, we engage directly with our youth hubs as a key part of our DWP Youth Offer. We really want to find means through which to engage young people, when there are no physical restrictions, in an environment where they feel most comfortable. That co-location of services through the hubs is key for us as a way of capturing those young people who might have been missed in the education system and others, and of guiding them on a path towards more meaningful activity, be that through skills, traineeships or other journeys that I am sure DfE colleagues will want to talk to.

We recognise that there is a particular challenge when it comes to Kickstart. We are looking to help as many 16 to 24 year-olds as possible at risk of long-term unemployment. As a point of recognition, there is active ongoing work on reflecting on what further improvements could be made to the Kickstart scheme. We need to recognise that it sits in a provision landscape that is very rich at the moment, and there are potentially other opportunities, through a traineeship for example, as I have mentioned, that might be more beneficial to that young person in supporting them on their work and learning journey than a Kickstart offer might be. It is important to think about the overarching and holistic needs of that 16 year-old as opposed to just a programme per se. DfE colleagues may have more to add.

- Q6 Lord Baker of Dorking:** This is the only time we have to re-examine the scope particularly of the DWP. Tammy, who is the Minister in the department who speaks on youth unemployment as a problem, rather than about all the ameliorative measures that you have mentioned? You are an ameliorative department, and all the things that you are working on are splendid, but who is the Minister who speaks on the problem of youth unemployment or what causes it? Is there one in your department who does that?

Tammy Fevrier: We look at Mims Davies, our Minister for Employment, as our lead Minister. The Secretary of State provides overarching departmental ministerial leadership, but in terms of proactive engagement the Minister for Employment would engage with the Youth Employment Group and our youth stakeholders, whom we meet regularly. We meet with her every week.

Lord Baker of Dorking: Have they made a speech specifically on the

causes of youth unemployment—yes or no—and who is the Minister who made it?

Tammy Fevrier: The Minister for Employment has been part of a number of external stakeholder events, where she has talked to the challenges around youth employment, the root causes and the actions that are being taken to address that. It is worth remembering that the Minister for Welfare Reform, when we are thinking about young people with particular disadvantages, would also have a role.

Lord Baker of Dorking: I am not talking about that, with great respect. I am trying to find a speech that has been made by someone in your department who deals with the causes of youth unemployment. Could I ask the same question to Sue? Who is the Minister in your department who deals with youth unemployment as an issue?

Sue Lovelock: The Minister for Skills, Minister Keegan, would be our lead Minister on this question.

The Chair: The point is very important. I would like to think that colleagues in each of the departments could dig out the speeches that Lord Baker has asked for, which publicly address the problems of youth unemployment, as opposed to general measures that are being taken and may be for all age groups. If you could do that, they could be supplied to our secretariat.

Lord Baker of Dorking: The Schools Minister has not made a speech about why youth unemployment is three times the level of ordinary unemployment. Can you draw attention to a speech that Mr Gibb has made on that?

Sue Lovelock: I will have to review with colleagues in the department and write to you.

The Chair: I think so, because the question is very important. I want to move on now, because time presses. We probably need to take the remaining questions that we have given notice of a little more quickly than we have been. That is not so much in the questions as in the length of response.

Q7 **Baroness McIntosh of Hudnall:** We have been doing a lot of talking about young people this morning, and a lot of talking about young people goes on more widely. I am interested to know how you talk to young people. You spoke earlier, Tammy, about engaging with leaders and experts. You made a very good point that young people are not a homogenous group. Of course, they are not, but they are, in their diversity, people about whom we talk a great deal more than we talk to them. Can both departments tell us how you engage directly with young people? Insofar as you do that, how do you find the people you talk to and in what kinds of situation do you engage with them?

Tammy Fevrier: I will do my best to be concise, and apologies for the length of the responses thus far. From the DWP perspective, we are blessed in a way that we have such close links with the people we serve.

The primary approach through which we are engaging with our young people is the benefit and welfare system. There is a direct conduit and route through the work coach and the wider network there.

An awful lot of feedback comes through to us, in terms of the points of concern, through the engagement that our national employment partnership leads and others are having with work coaches and young people through the various circles. Tom will talk to the user research and the engagement that we do on a really proactive basis through that lens, which gives us an on-the-ground understanding of how our offers are being received in the round.

This is complemented by the fact that we want to do a lot more work through the DCMS youth voice lens. That is something that we are really looking to lean into, certainly through our stakeholders. The stakeholder conversations that I have mentioned and that the Minister has been part of have been very broad. It is about hearing not just from those stakeholders as the adult advocates, but from young people themselves. At a variety of events and activities, we want to tighten and to hear more from young people directly through that lens, but to complement the ongoing engagement.

Baroness McIntosh of Hudnall: Rather than going into detail here, could you at some point let us have specific examples of those kinds of engagement, how they have worked and how the voices of those young people are received and embedded in policy?

Tammy Fevrier: Yes, absolutely. If I may, I would quite like to also set out what more we would like to do. We recognise that we are doing a lot but we would like to do more, so I would like to point to what we have done and where we would like to go further moving forward. Tom, do you want to add any more about user research through that lens?

Tom Younger: Another element of developing the programmes is going out and talking to users of those programmes. For example, every couple of months we go out and talk to people on the Kickstart scheme about how it is working for them. That feeds back into the design and implementation of the programme.

Sue Lovelock: We engage extensively with a range of stakeholders and providers, who represent the views of young people to us. Having that direct link with young people is also really critical for us to listen to their views directly. A key forum that we have engaged with over the last year or so is the Youth Employment Group, which was pulled together in response to Covid-19 and brings together key players to facilitate that engagement. Minister Keegan attended and met with representatives of that group back in the autumn.

We also have a range of forums for engaging young people on specific programmes. We have the Young Apprentice Ambassador Network, which has over 300 young people sharing experiences from their apprenticeship, championing the programme, offering ways to improve it and sharing their views. We have a similar programme being established for the first T-level students, where we have young T-level ambassadors

coming through. We use those groups of young people as sounding boards when we are developing policy and getting feedback on how implementation is going.

Like DWP, using user insight is a really important part of our programme and policy development. We do that in a range of ways, including surveys and focus groups, in order to listen to the views of young people when we are thinking about how to design and develop policies that meet their needs. I can talk about a specific example or I can stop there, if you want to move on.

The Chair: Baroness McIntosh, you said a moment ago that it would be quite good to have written examples. I am going to suggest that the best way of proceeding now is to have written submissions at this point, because what you are offering us are real, live, practical examples of what you do. To have that on the record would be really helpful.

Baroness McIntosh of Hudnall: I agree 100% with that. Can I particularly ask our witnesses to focus on the groups who are hardest to reach and how they are engaging with them? We know who we are talking about. You have all the data and we have heard quite a lot of it, but that is what I would be very interested to know.

Q8 Lord Layard: I have no interests to declare, except a great deal of personal interest in this topic. I wanted to ask a very specific question about the funding of the vocational route. This is the basic problem. The underlying problem that has been there for decades is the imbalance between the academic and vocational streams. That is connected to the funding systems.

If you go down the academic route and qualify at one level, you can be almost automatically sure of a place at the next level, because the money follows the student. If you go down the vocational route, you have no idea what you might be able to get at the next level, because the funding is capped. The funding is there only if the funding agency makes the contract and agrees that this is a course that it wants to fund out of its limited budget, which has sometimes been very limited.

That is the basic discrimination in our whole system of youth formation and development. It is especially serious at level 3 and, in your answers, perhaps you could concentrate on that, because that is the level at which we are internationally at greatest disadvantage compared with our competitors. It is terrific that you have made that free in the White Paper at all levels, and it sounds as if that means it is available. Of course, it is not, and there is a crucial distinction between something being free and something being available. Is there any way of establishing parity between further education, apprenticeship and the academic route except by having the same automatic funding of the student down the vocational route as down the academic route?

Keith Smith: You are quite right to mention the White Paper and the new lifetime skills guarantee. It is going to be a universal entitlement for young people all the way up to level 6, or degree. I referenced in an earlier answer that, in 2024-25, we will be implementing the same

student finance system for levels 4 and 5 as we currently have for level 6; i.e. undergraduate and above. That will be the first time that we can say to all young people wanting to pursue a technical route that they will have the same opportunities to engage and get student finance support as they would pursuing an academic route and going to university. That will be a significant step change in the way that we can invest and talk to young people about the opportunities in progressing a technical route.

You are also right to reference that, in the short term, we are trying to expand the free entitlement to learning at level 3. That supplements the current entitlement at level 2. Young people now have free entitlement to levels 2 and 3. In 2025, that will also include student finance support in the same way as you go to university for levels 4 and 5. We have a strategy and a road map that will take us to that place.

We constantly talk to colleagues in the Treasury about the investment that is going into the skills system. Through the lifelong loan entitlement at levels 4 and 5, that will probably signal the biggest investment in technical education that we have seen for many years.

Lord Layard: What is going to make these entitlements deliverable? If you have a budget that is set from year to year and does not meet the demands of young people, they are not entitled and you have not put in place any mechanism that ensures that the demand is met. What you have done at level 4 and above is terrific, but level 3 is the central problem. We are talking about the basic vocational skills of manual workers in Britain. That is where our weakest national area is and I do not yet see a mechanism for delivering what you call an entitlement.

Keith Smith: At a local level, it is really important that we get the provision aligned to what young people need most. The other element to the White Paper is the progression through the lifetime skills guarantee. It is also about putting presence into colleges and local providers to support more on levels 3, 4 and 5. Later this year, we are launching a strategic development fund, which will be new investment that enables colleges and local organisations to look at investment opportunities in building capability and infrastructure, i.e. more offer, to support people doing levels 3, 4 and 5. We completely understand that.

Just to reassure you, the Department for Education continues to make the strongest possible economic case at every fiscal event for increased investment for young people pursuing technical education at level 3 and above. It is a central strategy. As you say, it is critical in supporting the progression of people into the technical and higher technical levels.

Our experience to date has shown that the size of investment is not the determining factor in preventing young people progressing to levels 3, 4 or 5. There has been no technical route to progress after level 3, so it is not a very attractive route for young people if they have to stop at level 3. That is why we are trying to build the pipeline and to focus on the progression of young people to get to level 3. It is critical for our productivity and driving skills for the future to increase that investment at levels 4 and 5 as well.

Lord Layard: Chair, this is such a crucial issue and I understand that it cannot be done overnight. It is open to abuse of all kinds, unless you have a really good set of connections with the providers. I assume we will come back to the Minister later in our inquiry. Could we ask the department, between now and then, to investigate the possibility of introducing an automatic system of financing approved courses at level 3?

The Chair: I am going to give colleagues at DfE a moment to think about that, because Lord Davies and Lord Baker have both asked to speak on this.

Lord Davies of Oldham: I was very encouraged by the last couple of contributions by the people here from the departments, and particularly that last one, which made it quite clear that new ideas are being promoted. As Lord Layard identified, unless one has key resources backing it, it falls by the wayside. We should not underestimate the problems that we have with the age group. I once went to see an engineering course being developed and I asked the obvious question. There were 28 people there, but just one girl. I asked them why that was. They said, "It is because engineering is always associated with oily rags and women want no time with that".

The local company that employed the majority of trained engineers employed electrical engineers, not oily rags. It supplied labour predominantly to two local film and television studios in its area, which needed this level of expertise. It struck me at that time, which was several years ago now, and we are making progress, that one should not underestimate the enormous challenge that we have to give young people the confidence to choose the correct role. That is why, of course, Lord Layard's point about adequate support is critical.

Lord Baker of Dorking: Lord Layard is right to focus on the finance side and vocation at level 3. As Mr Smith has said, there is apparently going to be a great new concentration on levels 4 and 5, but at the moment, if you want to study at level 4, you have to take out a loan. An 18 year-old takes out a loan of £6,000 and a maintenance loan of another £6,000. That is not new. It happens. There is no lifetime guarantee there. The student has to pay for it. How are you going to get a big increase at level 4 when FE colleges taking youngsters at 16 produce only 6% of level 4? What plan do you have to improve that?

Sue Lovelock: We have a programme of work in place to grow both the quantity and the quality of training at levels 4 and 5, building on work we did a couple of years ago to look at the evidence of what the barriers were to provision at this level, and what was holding young people and adult learners back from retraining at levels 4 and 5. Student finance was identified as one of the barriers, which is why, as Keith said, we are looking for ways to simplify and align the funding and support mechanisms for study at levels 4 and 5 with those available for degree-level study.

We also have a wider programme of work to look at the quality of the qualifications and to make sure that we have much clearer links between the qualifications that are offered and the specific needs of employers. In September, we launched a new approvals process for higher technical qualifications through the Institute for Apprenticeships and Technical Education, which will be working with employers to provide a quality mark, effectively, for those qualifications that meet the needs where there are specific skills shortages in the labour market.

We are also looking at what we can do to improve the recognition and the routes into training at levels 4 and 5, making sure that young people have greater awareness of the options available, the really significant wage benefits that it can bring, and how it can dock in and lead to progression to study from level 4 to level 5, and potentially to degree-level study, as part of that overall programme of reforms.

One of the key things that we are doing this year is investing in supporting providers, so that they can grow provision and make sure that they have those links with employers and are able to meet the skills need in their local area. There is a programme of work going on there.

Keith Smith: The strategy behind the skills reform White Paper was to get a skills system that is much more impactful at levels 3, 4 and 5. That was the thrust. All the strategies we have mentioned this morning, and there are many more in the skills strategy, are designed with this in mind. As was mentioned, it is critical that we get the whole system realigned to do this. It is not just one thing that is going to make the difference here; it is all these things done together and organised in the right way.

Lord Layard: These answers have been very helpful and one can see that the intentions are really excellent, but there is still this question of whether it would be feasible, at level 3—this is the key blockage area—to have a system of automatic funding. Of course, the Treasury would have to agree, but would it be feasible to operate such a system? Could we ask the department to produce a note on that?

The Chair: Lord Layard, I could not agree more. The way forward here is to get the department to send us a note, I suspect quite a long one, because this is going to be a central part of our inquiry. Can I just check, Sue and Keith, that you would be happy to provide the committee with that note?

Keith Smith: Yes, we are happy to provide that. It is feasible, but we are happy to do a note setting out the considerations about that.

Q9

Lord Hall of Birkenhead: Could I ask about the work you are doing on some very specific groups to improve the participation of vulnerable and underrepresented young people in FE, HE and the labour market more broadly? We are thinking here particularly about those who have been in care, those who have spent time in the criminal justice system, those with special educational needs and those with disabilities. I wonder whether you could give us a sense of the scale of the issues that you are dealing with, what is working and what you have learned over the last

couple of years about what is working.

Sue Lovelock: It is a really important question and the DfE is doing quite a lot in different areas, so apologies if this is a slightly long answer. We need to ensure that the colleges and post-16 providers that we work with are supported to attract, support and retain disadvantaged students. We have allocated over £530 million to enable them to do that, and to take account of the needs of students with special educational needs and disabilities as part of that. We have also invested £130 million this financial year in discretionary bursaries to help address the barriers to engaging with employment that some young people face. That is a critical part of our support.

We also have a role to play in tailoring the approach we take to some of our key programmes, whether that is apprenticeships or traineeships, to carefully take account, in the way that we deliver and design them, of the needs of vulnerable and underrepresented groups. A good example here would be the additional £1,000 incentive that we have for employers to support apprentices who either are aged 16 to 18 or have a special educational need and an EHCP as part of that.

It is critical to take account of the diverse range of needs of young people when we are developing new policies and programmes. On T-levels, for example, we worked really closely with a SEND advisory group right from the outset to support and challenge us, to make sure that we have the design of those qualifications right, we think about where we need to take account of different needs, and we flex the policy where appropriate, so that it is as inclusive an offer as possible.

You picked up on the needs of care leavers in particular. I wanted to flag the work that the department is doing to make sure that we have the best possible offer for care leavers as they move through the education system. Recently, the Universities Minister wrote to all higher education providers, emphasising the importance of providing tailored support for care leavers attending universities, so that they get as much support as possible.

We have been working closely with the Ministry of Justice to look at specific interventions with regard to our traineeship programme, to make sure that young people in custody can access it and to take account of their needs in the way it is designed and developed. Those are examples of the different ways in which we are trying to tailor our support and programmes, alongside the core legal protections in place for all young people under the Equality Act.

Tammy Fevrier: From the DWP perspective, of the specific groups that you mentioned, as Sue has described, care leavers are a group particularly close to my heart. We did a lot of work with DfE when we were pulling together the first care leaver strategy under the cross-government social justice organisation. We have looked to promote, enhance and embed the focus that DWP has, particularly at operational level, on supporting and recognising the needs of young people leaving care.

One example is the Second Chance Learners scheme, which supports care leavers aged 18 to 22 who wish to catch up on the education that they might have missed out on when they were younger. Housing benefit, universal credit and housing support are available to young people leaving care, or former care leavers, who take up full-time study in non-advanced education, which is largely secondary-level education. That is really where the two systems eke out.

As you well know, the welfare system is largely about supporting people to do with training versus education needs, and there are separate routes there, but there is special and enhanced recognition in universal credit of the particular needs of young people leaving care. We are working with DfE officials and stakeholders to ensure that Kickstart in particular has a positive impact on care leavers.

Through our Youth Offer, youth employability coaches work in jobcentres across the country to provide flexible support to young people with significant complex needs and barriers in order to help them move into employment. That includes young people leaving care and complements the care leaver advisers we already have in place. Through that, we will additionally offer young people who are being supported by those youth employability coaches six weeks of in-work support, once they have entered employment, recognising the importance not only of breaking the barrier and getting the job but of sustaining that job, which is particularly challenging for young people leaving care as well as lots of young people with particular disadvantages.

I will quickly mention ex-offenders. We have about 158 DWP prison work coaches, who are normally based in prisons across the country, offering remote services. They are working with local partners, including community rehabilitation companies and employers to help secure training, work experience and employment opportunities for prisoners at the start of their sentence, during their sentence and after release.

There is also financial support, which we are looking to make sure is embedded, with priority access to alternative payment arrangements and universal credit, recognising the importance of having the right financial support in place and looking to manage recidivism as far as we reasonably can for people who are exiting prison. Equally, prison leavers will continue to have priority access to our work and health programme when required, as well as Kickstart for work-ready younger prison leavers, and the Restart programme, which will be coming onstream quite soon.

We would like to use this opportunity to reinforce what access to work can do to support disabled people of all ages, particularly young disabled people, to have funding for the in-work support that they might well need. We are doing as much as we reasonably can to make sure that the provision offer—again, Kickstart comes to the fore here—reflects the needs of young disabled people, so that they are able to access those opportunities too.

Lord Hall of Birkenhead: In the frame of what other people have been saying at this hearing, I was very struck by what Tom was saying about

looking at outcomes and data. Is it possible to say what is working compared with the size of the problem? It would be interesting to understand, of the plethora of things that you have spoken very fluently about, what really is making a difference and where there are issues that still need to be resolved, which these things are not tackling.

The Chair: This sounds to me like it is another note, please, but a very important one that gives examples and a lot more detail, if that is possible.

Q10 Lord Empey: Good morning. Lord Woolley has covered quite a bit of this, but I wanted to drill down a bit into the situation with BAME young people. There is no argument that they are more disadvantaged; the figures are there and have been for many years. This year, they have been brought into sharper focus, I suspect, throughout the pandemic.

You do not have homogeneous geographical areas where you can run schemes, because, inevitably, no matter how concentrated some BAME people may be, there is always going to be a mixture and it is impossible to run schemes based simply on one ethnicity. How do you drill down to deliver at a local level, when schemes always have to be available to the entire community? How do you overcome this challenge?

Tammy Fevrier: Let me be slightly more concise than my previous answer. You are exactly right. It is important for us to think about what we call the provision offer or the programmes that we put in place to help people on their employment journey and, ultimately, to enter work. There are lots of national programmes, but there are also complementary activities happening at a local level. Where those programmes need to be refined, or new ones set up, to address specific needs in specific areas, there is a facility to do so. We do a lot of that through things such as our flexible support fund, but we recognise that the European Social Fund and other focused, targeted interventions are still available. We do our best to access those in the broadest possible sense from the Jobcentre Plus perspective.

In London, we are thinking about black and minority ethnic employment needs. I mentioned Hackney earlier, where the 16-to-24 employment and skills partnership was established last summer. That provides parity of access for all young residents in Hackney to education, training and skills opportunities, routes into employment and well-being support. It looks at the wide-ranging service that we need to tackle youth unemployment. That is a local collaboration involving a range of local partners. The New City College is involved in it. We have local authority job brokerage services through Hackney Works and a supported employment team. Our jobcentre disability employment advisers are also involved in it.

We are bringing communities together in those areas of need to complement the national support offer, where a lot of people will benefit from Kickstart and Restart, but we recognise that not all will. We want to make sure that there is an opportunity for every young person in every area to benefit from support as far as we reasonably can. That example might be helpful in signposting the broader range of offering that we are

supportive of, looking to part fund and ensure that our young people have access to.

Keith Smith: We have talked a lot about making sure that we have the investment and provision right. We know that traineeships are a huge asset for young people from ethnic minority backgrounds. There has been £126 million extra funding to support that, so that is trying to invest in what works. We have strong evidence to say that that is the best place to put funding to support that. We have put additional money into schools and colleges, about £530 million, to support disadvantaged young people across the board.

We have fantastic, world-class universities, but we also have fantastic, world-class colleges. We are trying to work through a new approach to how we do funding. We talked previously about how we can make the funding system for the needs of all young people. We will be consulting in the spring on the new funding and accountability regime. That is relevant here, because we want to understand, working with the sector, how we can free it to invest the resources we give it to support the needs of the young people it serves.

There is a really important point about giving colleges a sense of the priorities and where we want to see the outcomes, but we want to free the investment we provide them in order for them to have more flexibility over its deployment and to use it to drive outcomes for the people they are working with. This is going to be quite fundamental and quite a big root-and-branch review of the way that funding is invested in colleges. We want to put colleges and providers at the heart of this and empower them to focus on the outcomes that are going to work locally. We have talked a lot about the importance of getting the local infrastructure right.

We have to make sure that the investment system is not stopping that, which means us looking really hard at how we simplify and create the right accountability structures, all with the intent of giving colleges and institutions more flexibility to design programmes and develop a curriculum that drives outcomes that are going to help young people, albeit within some sort of national framework around what works.

The Chair: It would be helpful to have a note here too, not a particularly long one necessarily, but it would help us to have anything about funding and outreach. All of that would be really helpful to us.

- Q11 **Lord Empey:** I have absolutely no doubt that for many years the Government have been attempting to resolve this, but the statistics speak for themselves. What targets or measurements are the departments intending to put in place to judge whether the latest approach will be more effective than previous approaches? A blunderbuss scheme, which is undoubtedly well intentioned—I have done them myself in previous roles—nevertheless means that we still have to measure progress. Do the departments have targets? What is it about these new arrangements that will be different from previous attempts? Everybody wants to solve this, but the problem has been with us for so long that, quite clearly, there are some things we are not doing right.

Lord Woolley of Woodford: What are the discriminatory factors that need to be taken into account, rather than just focusing on the individuals and skilling them up? There are discriminatory factors that are locking people out time and time again. The evidence speaks for itself.

Keith Smith: We are happy to put this into the response. I referenced that we will be consulting on some really important work that we are doing, part of which will be about accountability. We want to have a new approach to focusing on the outcomes that we think are really important to track. We are doing some work at the moment, alongside the White Paper that was published, on what accountability and outcomes measures to set, track and record in measuring the success of the strategy. More work on this will be set out when we do the consultation in the spring. It is really important that we place that within the context of driving the accountability in the system for the outcomes we are trying to get.

We want to focus on outcomes rather than outputs. A lot of the system at the moment measures outputs. We measure the number of people participating or achieving a certain qualification, but we want to use the reform programme to focus on and track the outcomes for students. This is about how we are supporting more young people. To the question about those who are more disadvantaged, these are going to be critical elements for tracking how successful we are in getting them into sustained jobs.

Coming back to the critical areas that we talked about before, we want to see progression. The key here is to get young people into really great jobs and support them in a career, with continued investment in their skills over their lifetime. It will not be enough to invest in young people up to level 3. We want to see more structures, and to drive the right metrics and measurements, to get many more of those young people qualifying to technical and higher technical skills over their lifetime.

Q12 The Lord Bishop of Derby: Good morning. I declare an interest as vice-chair of trustees on the board of the Children's Society, president of the Derby diocesan board of education, member of the council of St John's College, Durham, chair of Cranmer Hall theological college and chair of trustees for the Multi-Faith Centre in Derby.

My question picks up where we have just left off. Thank you, Keith, for helpfully leading on to the question I want to ask about longer-term outcomes of our interventions and sustained employment support. What evidence is being collated to assess whether Kickstart schemes, such as job entry targeted support or sector-based work activity placements, will lead to sustained and high-quality employment outcomes for young people? What plans are in place to modify the implication of such schemes as that evidence comes in, where appropriate? This is initially a DWP question.

Tom Younger: We have already talked a bit about the evaluation strategy that we have in place and are currently agreeing with Ministers. The evaluation that we do is quick. It feeds back into policy design, implementation decisions and improvements, as well as informing a

future evidence base. It has been designed to meet at least those two criteria. We have management information now on outcomes across a range of products, so we are looking at that. We have an evidence base for some interventions, for example on SWAPs or the effectiveness of work coach interventions. We have strong evidence that those things work in normal circumstances, so anything we produce there will build on a history of evidence about what works.

I talked earlier about process evaluations and management information. In terms of sustained employment outcomes, we will do that in a number of ways depending on the programme. Using Kickstart as an example, we are most interested in the period once the Kickstart job has finished. We are subsidising employment for six months, but the scheme has not been devised to give people jobs for six months. It has been designed to give them experience and skills so they can go on after that period and, we hope, have successful, fulfilling careers.

At the end of that six-month period, we will look at who has participated in the Kickstart scheme. There will also be a group of young people who have not participated in the scheme. We will be able to use statistical techniques to create two groups of those people who look roughly the same in other characteristics. Then we will be able to track employment outcomes using HMRC data, data on universal credit and other things, to look at the difference in earnings between those two groups.

The other thing you mentioned was job quality. That is where our collaboration with BEIS colleagues comes in. They have been doing a lot of work over the last few years on how we can improve job quality. We are doing surveys with scheme participants, which might feature elements of job quality, as well as questions about confidence in the jobs market, job searching and job satisfaction, to help us build a slightly richer picture. It is not just pounds and pence, which are very important, but job satisfaction and people's views about their future prospects. That is the evaluation strategy in brief.

The Lord Bishop of Derby: That is really helpful. I want to ask, from the other side, about the incentives for businesses to take on trainees and apprentices that were launched in the plan for jobs, and about the evidence, if there is any, showing whether these incentives have led to not only an uptick in employment but the retention of the young workers we are talking about.

Keith Smith: You will be aware that part of the plan for jobs was to increase the incentive payment we give employers to recruit apprentices. We have a long history on that and we know that it works. Employee incentives are a critical element in giving employers confidence, by offsetting the costs of employing young apprentices. That is being rolled out. It is still very early days in the sense of what is happening with this current phase, particularly in the context of a pandemic, but we expect that incentive scheme to increase apprenticeship numbers. We will be setting those out publicly when we have the data to do so. That is critical.

It is really important that the incentive to the young person is also there. We have strong evidence that one of the benefits of recruiting a trainee or apprentice is that, on average, retention of that employee will be longer than for an employee who has entered employment through an alternative route. We have data and statistics on that and we talk to employers about it a lot. Medium and large businesses in particular are getting interested in apprenticeships, because they are starting to see that data on how retention in the workplace is stronger.

We are trying to deal with this not just through the lens of how we can incentive employers to retain the individual for longer. It is also about wanting the individual to stay with that company for longer and getting that relationship right. Investment through traineeships, T-levels and apprenticeships is a really effective mechanism to do that.

The Chair: This is another area where we would ask you to make sure that the committee is kept abreast of any outcomes from the work that is being done, short term and much longer term, as the Bishop of Derby emphasised. If you could keep us in regular touch with any research evidence you get, because we are not reporting until November, we would find that very, very useful.

Lord Davies of Oldham: I very much appreciated some of the contributions earlier on. Thanks to Lord Layard, who pressed on the question of finance very strongly. I am reasonably satisfied with a great number of points that have been made this morning. We have the basis of being able to make a considerable contribution in our response.

Q13 Lord Clarke of Nottingham: Lord Layard asked a lot of questions about the financial advantages and preferential treatment of academic study compared with vocational and technical study. What is done to try to address the cultural problem we have in this country? There is no doubt that the system works best and easiest for those people who thrive on the traditional academic route. Half the population do perfectly well in that way, and parents and teachers are more comfortable when following that route.

I wonder whether anything is being done by either department to promote the status and attractiveness of vocational and technical education. We are far removed from the situation in places such as Germany and Switzerland, where, at every level of ability, technical and vocational education and training is just as attractive as academic training, and is the background of very many successful people.

On the Lord Bishop of Derby's point, which I thought was very important, Kickstart seems a good programme. It is another temporary subsidy of employers for six months to get them to take on trainees and new young employees. We have had these before. Kick-start has no doubt learned and built on the lessons, but the history is that some employers are quite unscrupulous. They take people on as long as they are subsidised for six months; you find out what has happened after that, and about half the young employees are back on benefit.

As this crisis is going to hit young people so hard, are we looking at

longer-term things? For example, how about considering reducing the national insurance paid by employers for a much longer period if they take on people below a certain age, give them work experience, and retain and train them? Are we alert to the danger that Kickstart may have the very temporary effect for a lot of people that similar previous schemes have had?

Sue Lovelock: One of the key intentions for our reforms to technical education and the skills for jobs White Paper is to equalise the parity of esteem between technical and academic education. As you rightly set out, the academic pathway works well for the 50% of the population that go down that route. We want to make sure that we have much clearer and high-quality routes for those young people and adults who go down the technical pathway, so that they can continue to progress through.

One of the key areas I would draw attention to is the introduction of T-levels. We rolled out the first three in September 2020, and we have a programme to roll out a further 21 courses between now and September 2023. The key aim there is to have a clear, nationally backed qualification that aligns on the technical side with the really well-established A-levels that we have, which everybody knows and recognises.

As well as rolling out T-levels, raising the awareness of apprenticeships and other technical options is a really key part of our focus on careers advice and guidance. We are working with the Careers and Enterprise Company and programmes such as Amazing Apprenticeships to raise young people's awareness, fairly early in their education career, of the options available, and to bring to life the opportunities there are in going down a technical route.

Tammy Fevrier: Lord Clarke, your question was about the broader macroeconomic choices to incentivise employers to take on and keep on young people in need. It will not necessarily be within the department's gift to make that decision; it is a Treasury choice. From the Kickstart perspective, the focus at the moment is on ensuring the quality of the placements and the employability support, which is particularly inherent in the Gateway Plus model, so that employers can benefit from taking on a Kickstart placement, but recognising that it is good for the young person as well.

Looking further forward, there is work to be done on ongoing and active monitoring, to make sure that employers are doing all they should to maintain the quality of those placements. Tom alluded earlier to the outcomes: how many of those Kickstart placements translate into a sustained job role for that young person in that area, or equip them with the skills that will enable them to take on sustained employment in another role? That is perfectly reasonable to expect at the outset.

Work is happening in earnest, with colleagues in DfE in particular, on whether and to what extent that Kickstart placement, where it does not turn into sustained employment, can become a routeway to another provision opportunity, perhaps thinking about apprenticeships and the roles that might be given to young people through that lens.

Keith Smith: Lord Clarke, to your question about why young people would be persuaded by this, part of our challenge is what Sue and Tammy have covered. One of the powerful messages here is the earnings data. We have evidence—and it is about making sure that people understand this—to show that, if you do a level 4 technical qualification, you can be earning £5,000 more per year by the age of 30 than if you do a degree. It is that sort of knowledge and insight that we feel many parents and young people do not have to hand.

Previously, we have not serviced enough level 4 or 5 provision, hence we are trying to pivot much more into that level 3, 4 and 5 space. All the evidence tells us that that is where the general skills gaps are, and that is where the earnings potential is. We can switch the system, so that people do not feel they have to go to university and do a level 6 to be successful, if we show them the evidence that they can be even more successful by doing the right qualifications in those technical subjects.

Tammy Fevrier: That is exactly right. It is about case studies and comms to support that, saying in earnest, “People like you did this. This is what you can achieve and what the different routes look like”. It is one thing for us between our virtual walls to talk about how brilliant this is as a journey, but what does it look and feel like? That is a really important but sometimes overlooked part of all this when it comes to policy implementation. Our respective departments are working closely together on what joint comms endeavours can be brought forward. That is certainly a lens through which we will want to continue to work.

Q14 **Lord Baker of Dorking:** I strongly support what Ken Clarke was saying about the disparity between vocational and educational. Sue, why over the last 11 years, between the ages of 11 and 16, has there been a positive reduction in vocational education? Design and technology has virtually been squeezed out, with now less than 200,000 students. The cultural subjects have all been squeezed out. In Britain, there has been a substantial reduction of vocational education between 11 and 16. We are the only country in the developed world that does that. How can you possibly argue that you want to support vocational education when you are seeing it squeezed out in the 11-to-16 schools?

Sue Lovelock: Ministers are really committed to having a broad-based curriculum for young people at ages 11 to 16, through to the GCSEs that most young people take at that point. There are some technical options available so that young people can take subjects as part of that broader national curriculum-based programme. Our focus is on making sure that, at age 16, young people can choose between an academic and a technical path, and, whichever route they take, they have a really high-quality option to do so.

Lord Baker of Dorking: You have not answered my question. You do not even make GCSE computing compulsory at 16. Only 70,000 students take it, yet we live in a digital age. I do not think you are committed to improving vocational education between 11 and 16. Ministers do not actually promote it at all.

The Chair: The committee will want to spend some time on this issue of what is actually happening in schools. As a follow-up to this meeting, if DfE and DWP could give us anything in writing on Lord Baker's very specific point about 11 to 16 and the decline he referred to, with numbers and policies, we would find it very useful indeed.

Lord Clarke of Nottingham: Ken is quite right; it starts in the schools. We must not turn this into hostility to academic education, which many pupils thrive on. The basic academic requirements still need to be in GCSE.

The information we have heard in evidence from our witnesses today is totally unknown to the vast majority of the population and probably the vast majority of politicians. The sentiment behind it is that we are trying to address our historic problems on vocational training, technical education, shortage of engineering skills and so on. A lot of it requires addressing this question of status, promoting the status and getting people of every ability to realise that there is a perfectly even choice between the two. Technical and vocational qualifications can be better for you financially and in any other way, so long as they are put in front of you. We are a very long way away from that in the United Kingdom at the moment. Economically, after the recent crisis, we have a need to address our skills shortages probably as never before.

The Chair: I am sure that is right.

Q15 **Baroness Clark of Kilwinning:** I have a declaration of interest, which is my membership and involvement with trade unions over a long time, in particular Unite, GMB, UNISON and TSSA, and my membership of the Co-Operative Party.

My question is to the DWP. How do you relate to different parts of the country? We have already heard you speak about specific disadvantaged groups, but how do you ensure that youth unemployment programmes have the flexibility to address very different local economies, for example Traveller communities or rural and coastal communities? They face a very different set of challenges. We are facing a massive problem at the moment due to the pandemic, but some of the issues, particularly outside the cities, are long-term challenges. Could you expand on how you see your work in those areas addressing the real problems that exist with employment, particularly youth unemployment, there?

Tammy Fevrier: You are right to point this out. It is a no-brainer that the needs of a rural area are completely different from an urban one. Even though the core characteristics of the challenges for young people might be very similar, the geographies necessitate a very different response. We recognise that. There is flexibility and room for that in the way DWP, and more importantly the jobcentre network, is organised.

Our local partnership manager network is involved at source in engaging with not just our employers, but our partners and providers, to make sure that the offering in that area is commensurate with need. Kickstart district account managers are working with employers and partners

locally to help align Kickstart to the local economic recovery plan, working alongside offers in the devolved Administrations as well.

I would call in the work we are doing in the Youth Offer, particularly around the youth hubs. We touched on them earlier, but they are a dynamic opportunity, thinking about co-location of services and the joined-up local service delivery that we all know is at the heart of driving that sustainable change and addressing the multiplicity of needs. We are not just looking at skills and training needs for young people in those areas. We are also looking at what mental health needs might be, where that is applicable and it is a particular challenge. In some isolated communities, those are the types of things we need to bring to the fore and think about through the service delivery.

At the moment we have Youth Hubs located across the country. We are using the knowledge of our staff and stakeholders in local areas to provide young people with that most suitable provision. They are located in a range of settings, from busy London boroughs to Tain in the Highlands of Scotland, where the Scottish Youth Offer and Scottish support for long-term unemployed will be available, or Rhyl on the north-west coast, where the Welsh Government supports that. The locations of those hubs are decided in partnerships with local organisations, as they are best placed to understand the challenges each type of community is facing.

It is not just the traditional jobcentre offer. We are thinking really hard about how to bring that out into the community in order to promote not just the engagement of young people but the co-location of services, where we can. We also recognise the role that digital has to play in this, which has come to the fore for those hubs. There are about 90 digital youth hubs at the moment. Even if we have national restrictions, we still want to make sure that as many young people as possible have access. In a more rural community, we expect that to be an enduring part of the offering for young people, as they are dipping their toes into understanding what is out there.

Baroness Clark of Kilwinning: We are talking about former industrial areas. We are talking about decades of deindustrialisation and a vicious culture, from the state and backed by British capitalism, of a lack of investment. How do you tackle that? Do you feel it is perhaps bigger than just your department?

Tammy Fevrier: This is definitely a whole-government one. We have talked about this before. DWP is almost the supply part, but where is the demand driven from? We talk to colleagues in DfE, but particularly in BEIS as well, about where the growth sectors are in the here and now, as well as looking further forward. We hear a lot about green jobs, for example, and the successor to the industrial strategy. We are thinking about where we will innovate, where we can best invest and what global Britain looks like. As those bigger macroeconomic opportunities are identified, particularly when we bring in infrastructure, construction and green jobs—it runs the whole gamut—we need to have a pipeline of

support available to ensure that claimants in an area can best meet local needs.

A really important but oft-forgotten part of what Jobcentre Plus does is that national employer partnership, with those networks and teams. They are the local employer experts in those areas. When they are sitting around the skills advisory panel table with colleagues from the Skills Funding Agency and colleges, they can bring in what the demand is. We can make sure, working together and pulling all those levers, that the training and support provision is commensurate with the need, because that gives us a throughflow. We know what is out there and what employers want.

With a reduction in migrant labour coming through, there is an opportunity: "Come to us". That has been a theme of the conversations at official level, but Ministers are equally involved in this. When you are looking for upskilled, suitable labour, the first port of call ought to be our department. To fill your labour market, we need to work more closely together to make sure that they are upskilled to meet the immediate and ongoing needs that the country has. We have the germs of that. As Keith mentioned, that framework has been embedded more broadly and comprehensively than previously.

Baroness Clark of Kilwinning: You mentioned green jobs. We have COP 26 coming later this year. Would you be willing to share with the committee, not necessarily now, the thinking and discussions leading up to that on how we are at the forefront of a green economic revolution?

Tammy Fevrier: There is lots of activity happening around the broader green jobs agenda. We can usefully work with colleagues across government to make sure that the committee has the information it needs to understand what that pipeline will look like, if that would meet your need.

Baroness Clark of Kilwinning: That would be helpful. In response to a previous question, you mentioned the European Social Fund. With Brexit, many of the youth unemployment initiatives that were funded by the youth unemployment fund will no longer be there. What work is being done to replace some of that through the forthcoming shared prosperity fund? To what extent do those plans take into account the need for continuity of funding for the work that has been done previously?

Tammy Fevrier: I must confess that I have worked on the European Social Fund for quite some time over the years—on the support it can offer disadvantaged young people, the troubled families programme, the ESF families initiative and things like that. The Government have made clear that they recognise the important role European structural funding played in supporting jobs and growth opportunities across the UK, particularly in the devolved Administrations and areas of particular need. Cornwall and areas of Wales come to mind, where the European Structural Fund did a lot.

The UK shared prosperity fund, as the domestic successor to the European Structural Fund, is looking to maximise the benefits of having

left the EU and thinking about how we can speed up delivery of services, support and funding, making it better targeted and aligned with domestic priorities. It is the oft-mentioned burdensome bureaucracy, but it was pretty acute and well known to those of us who were involved in ESF of old. Looking to streamline that as far as possible is the mainstay.

The Government have committed to ramping up funding. Total domestic UK-wide funding will at least match the EU receipts, reaching about £1.5 billion a year, delivered in two portions. The DWP-led part will focus on bespoke employment and skills programmes tailored to local needs, a bit like the ESF of old that many of us will recognise, while looking to support and improve employment outcomes for specific cohorts of people in and out of work. We are still talking about the most disadvantaged in this space.

We will be providing about £220 million through the UK community renewal fund to help local areas prepare for the launch of UK SPF in 2022. These things do not happen with a big bang, as you have pointed out. We recognise the importance of the ESF reserve fund, which we still have, and how that plays into the UK community renewal fund. That will support the communities most in need across the UK to pilot programmes and new approaches, investing in skills, community and places, with local businesses supporting people into employment. That will inform the design of the UK shared prosperity fund. They are distinct with regard to duration, design and all those things in the one-off pilots.

The prospectus for that renewal fund was published as part of the Budget, along with the details of applications. If the committee has not already had sight of that, we can make sure that it comes through to you. They are looking at decisions around late July this year. This is about the build back better rhetoric, but also recognising that there was lots of good and positive output from the structural funds. We want to capture as much of that as we reasonably can as we move further forward into this new UK SPF journey. Sorry, you got me all excited about structural funds.

Baroness Clark of Kilwinning: Any further detail on that afterwards is appreciated, because the committee would want to satisfy itself that no initiatives are losing out as a result of the change.

The Chair: Baroness Clark, your point about green jobs really matters. I would say to colleagues in both departments that we might need to look at the nature of our preparation for a green jobs revolution, because it is going to happen. Are we prepared in our national curriculum and our vocational, training and apprenticeship policies to produce the opportunities and the labour force that the country needs?

Baroness Clark of Kilwinning: The other thing, which I may discuss with the committee later, is that any comparative data between parts of the UK would be useful. We have devolved institutions in Scotland and Wales, as well as mayors. Maybe we can get in touch with you later so that we can understand whether there are initiatives that are working well or, indeed, not working.

The Chair: It is about drilling down on the comparative data in the nations, the regions and the combined authorities, particularly the mayoral combined authorities. Thank you for that discussion.

Q16 **Lord Baker of Dorking:** I have two questions to DfE. We have had various statistical papers sent to us. What figure does the department recognise for the level of youth unemployment at the moment?

Sue Lovelock: Sorry, I do not have that at my fingertips at the minute. Bear with me a second.

Lord Baker of Dorking: What figure does the department take for children being described as disadvantaged? We were told last week that, statistically, there is evidence to say that it is at least 25%. Is there a figure that the department recognises for disadvantaged children?

Sue Lovelock: I will check that with the analysts and write to the committee. On the unemployment rate for young people, the figures I have are from October to December 2020: 25.3% of 16 to 17 year-olds and 13.4% of 18 to 24 year-olds.

Lord Baker of Dorking: What figure does the DWP take as the unemployed figure? A 14.4% figure has emerged as the national average. Is that the figure or not? You do not seem to know. What is the figure for youth unemployment today?

Tom Younger: We have the same figures as Sue from the Labour Force Survey, but we also look at figures from HMRC on what has happened to the numbers of young people in employment, and we look at universal credit claims to see how many people are coming to us. The overall picture, as you all know, is that young people have been more disproportionately impacted by Covid and were starting from a weaker position in the labour market generally.

Lord Baker of Dorking: You ought to know what the figure is nationally. You do not seem to know it.

The Chair: Different figures are quoted. We had a private briefing a couple of weeks ago from the ONS about how it collects data. We have to address at an early stage the factual base for disadvantage and youth unemployment. We have to get to an agreed figure, because if we do not we cannot propose appropriate solutions to the problem.

I would love it if both DWP and DfE could write a formal response giving their understanding of the levels of disadvantage and youth unemployment, using whatever categories you want—age range or place. We are very happy to have it like that, but I want to be certain that we have an agreed base.

The time is 12.21 pm. We have gone on for 36 minutes longer than we had planned, but the subject is of vital national importance. We will have weekly inquiry sessions like this for the next few months. You have started the public sessions for us, so thank you all very much indeed for that. There will be a verbatim summary of what was said, so we will be

asking you to check that through and make sure that the comments you all made have been accurately recorded.

Before we end this session, I omitted to say that I was a vice-president of the Local Government Association. Does anybody else have a declaration of interests to make at this stage?

Lord Baker of Dorking: I am the chairman of the Baker Dearing Educational Trust, which promotes UTCs.

The Chair: Thank you all very much indeed for coming to give us help and advice. I hope we have not given you too much work to do over the next week or two in response to all the questions that we have left you to answer. Thank you all very much indeed.