



Select Committee on Youth Unemployment

Corrected oral evidence: Youth unemployment

Tuesday 23 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; Baroness Newlove; Lord Storey.

Evidence Session No. 2

Virtual Proceeding

Questions 17 - 27

Witnesses

I: Sope Otulana, Head of Research, Youth Futures Foundation; Laura-Jane Rawlings, Chief Executive, Youth Employment UK; Sam Windett, Co-Chair, Youth Employment Group.

USE OF THE TRANSCRIPT

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

Examination of witnesses

Sope Otulana, Laura-Jane Rawlings and Sam Windett.

Q17 The Chair: Welcome to this evidence session of the Select Committee on Youth Unemployment. The meeting is being broadcast via the parliamentary website. A transcript of the meeting will be taken and published on the committee website. Participants will have the opportunity to make corrections to that transcript where necessary. Lord Woolley, unfortunately, has had to send apologies.

I would like to extend a very warm welcome to today's witnesses for this second evidence session. I will ask them to introduce themselves and just to say a word or two about the organisations they represent.

Sope Otulana: Good morning. I am the head of research at the Youth Futures Foundation. We are an independent not-for-profit organisation set up in late 2019 with an initial £20 million endowment from the Reclaim Fund to improve the employment outcomes of young people in England who face disadvantage or discrimination in the labour market. We were established on the basis of the results of the 2018 race disparity audit on youth opportunities and employment.

Especially in light of our inception in response to acknowledgments of ethnic disparities and our launch being closely timed with the start of the pandemic, our vision is for a society where all young people have equitable access to good-quality jobs. In our work, we acknowledge the many ways that young people experience disadvantage, both individually and systemically, and we take a systems-change approach, knowing that changing discrimination and disadvantages needs a collaborative joined-up approach.

As an aspiring What Works centre, we are using research, evidence and evaluation to identify and share what works to support young people from those disadvantaged backgrounds with policymakers, employers and those providing support services directly to young people. As a funding organisation focused on addressing the root causes of unemployment among young people from marginalised backgrounds, we use our endowment to invest in promising interventions that generate evidence and build capacity in the youth sector.

As an organisation with young people at the heart of all we do, we work to ignite change to behaviour and practice by being collaborative, building coalitions and influencing policy where we can.

Our ambitions over the next 10 years are to narrow the employment gap, particularly among different ethnic groups and people with disabilities, and the regional disparities we see, and to look at the ways in which family income can impact employment outcomes. We aim to narrow the gaps between ethnic minority groups and their white peers in pay. We want to reduce the proportion of young people from marginalised backgrounds in insecure work and to increase the proportion of young people from those backgrounds who are moving out of low-paid work.

Laura-Jane Rawlings: Thank you for inviting us to give evidence on what is a really important day today. I am the chief exec of an organisation called Youth Employment UK. I am also a founding board member of the Youth Futures Foundation and a founding chair of the Youth Employment Group, from whom you are also hearing evidence today.

Youth Employment UK is a not-for-profit organisation that was set up in the last youth unemployment crisis, in 2011. We have been working for the last 10 years to try to tackle the systemic issues of youth unemployment. We do this uniquely through the lenses and views of young people. One of the things that we bring to the table today and in all our work is the direct experiences, challenges and barriers that young people from around the UK tell us they are experiencing on a day-to-day basis. We are led by a youth ambassador board, and we do leading research on youth voice every year. Our biggest piece of research is the annual Youth Voice Census, which surveys 14 to 24 year-olds and explores their experiences as they transition between education and employment. I shall be giving evidence using that dataset today during this session.

Sam Windett: Good morning, everybody. Thank you very much for the invitation to speak to you today. I am a director of policy at Impetus, where we work with a number of youth employment charities to improve the lives of young people from disadvantaged backgrounds to help them succeed in school, work and life.

I also wear another hat: I co-chair the Youth Employment Group with Laura-Jane and the Youth Futures Foundation, as well as the Prince's Trust and the Institute for Employment Studies. The Youth Employment Group is a coalition of over 200 member organisations right across different sectors. We formed just over a year ago with a focus on helping young people, particularly those from disadvantaged backgrounds, in the Covid-19 pandemic and its aftermath. I do not speak on behalf of the individual members, but we have done a lot of work in the year that I can draw on. Our goal there is to support those young people and also to give young people a voice, so we have a youth voice forum. I believe there has been an invitation extended to them, so thank you very much to the committee for listening to our young people as well. At the moment, our ambition is for the Government to fulfil their promise of a youth opportunity guarantee, and I am sure we will come on to that in the questions.

Q18 **The Chair:** In a sense, you have answered very fully what I was going to say. I appreciate, by the way, all that you have written in other places, in journals and press and so on, which has been particularly helpful. If there was one thing that you would want the Government to have done by the summer to alleviate some of the problems that you talk about, what would that be?

Sope Otulana: In terms of what is feasible in the next few months, we are still getting an understanding of the impact of the pandemic. Rather than focus on a particular activity directed at young people, I would say

that we need a commitment to a coherent joined-up approach across government. This would address the current crisis and the needs of people in the present, but it would also, in a more forward-looking way, address the ways in which the pandemic has deepened inequalities and created wider gaps for young people to attempt to fill and fall between. A more joined-up approach would provide a better support system for those young people. It would be something for the present but also for the future.

Laura-Jane Rawlings: I very much agree with the ambition of joining up some of these policy areas across government, but what we have to be really ambitious about now, given the youth unemployment data we have seen today, is making sure that there are more opportunities for young people in the labour market. We have to start stimulating investment and opportunity for apprenticeships and traineeships and ensuring that those Kickstart placements can reach those young people who are going to need them the most. We really have to press on with those priorities for young people.

Sam Windett: To expand on what I meant about the youth opportunity guarantee, the Prime Minister announced one last June, but for us in the Youth Employment Group the guarantee that really counts is that all young people have access to a quality education, training or employment place and that every young person who is unemployed for more than six months gets the guarantee of a job or training. All young people who are unemployed for six months should have a guaranteed job or training. That is the overarching guarantee. Lots of things sit under that. There are lots of different policy areas.

One of the issues that Sope and Laura-Jane have both alluded to is bringing those together at a high level. A lot of these different policy areas sit in different government departments. We want to see a government task force at the highest level starting to bring those together for young people, both now and in the future.

Q19 **Lord Baker of Dorking:** Welcome, all of you. I will ask very short questions, hoping to elicit short answers, because there are six other members of this committee who want to ask questions. My first question is very simple. Why is the level of youth unemployment, which is 14.4%, four times the national average?

Sam Windett: That is a very good question. It is a very interesting starting point, given where we are in the pandemic. I have been working in this area for a decade. Youth unemployment was not seen as an issue before last March; in fact, there was record low youth unemployment. Unemployment overall was seen as pretty much a solved issue, particularly for young people. That was not actually the case. There has been a proportion of young people for whom unemployment has been a big issue over every year. I will refer to these young people as NEET—not in education, employment or training. These are people who are perennially stuck out of the labour market. That has always been an issue.

Lord Baker of Dorking: Why have they always been stuck out?

Sam Windett: There are a number of issues. We have done some research. Our youth jobs gap data unpicks who those young people are, why they are finding themselves there and what their characteristics are. The biggest characteristic is people from a socioeconomically disadvantaged background. Young people who are from disadvantaged backgrounds are twice as likely to be NEET as their non-disadvantaged peers. Qualification is one of the biggest aspects of that. If you have GCSEs, you are half as likely to be NEET. If you have A-levels you are half as likely again to be NEET.

However, qualifications are only part of the puzzle here. When we controlled for qualification, we found that young people from disadvantaged backgrounds were still 50% more likely to end up NEET than their similarly qualified but non-disadvantaged peers. Where you live is also a very important aspect. We looked at the data local authority by local authority. If you look pan-regionally or even nationally, you will not understand NEET young people in the statistics. You have to look at a very local level. Those are some of the drivers underneath.

Laura-Jane Rawlings: I will tell you what young people are telling us about why they think they are spending these periods of time unemployed. Young people have consistently reported that they do not feel confident that with the skills they are leaving education with they will progress on into work. They are not confident that they understand all the careers and how to access those careers. I know we will come on to this question, but we have seen progress in that area with investment in the Careers and Enterprise Company, but young people are systematically telling us that they do not feel confident in transitioning.

They are also starting to identify that where they live is a problem: that they will not find good opportunities where they live. They have identified that their race, gender, whether they have free school meals or whether they are a young person with a disability can be a barrier for them. They are also now citing mental health and anxiety as an issue. There are some really big fundamental issues that sit under that experience of young people.

Sope Otulana: I am in total agreement with Sam and LJ's summaries. I would also add that there are some groups of young people for whom even a buoyant economic climate will not be sufficient to secure a future in the labour market. These are young people for whom initiatives like Kickstart apprenticeships and sector-based work academies will just not be enough without additional wraparound support for the issues that have been raised to do with mental health, housing and experience with insecure work in the past.

One of the cruel compounding factors for young people is that you are much less likely to get into work if you have never experienced work. Issues like this compound each other, in addition to just being young, inexperienced and not having knowledge of how to enter the labour market. It really is a mixture of those individual factors as well as the systemic barriers that young people face that older workers do not.

Lord Baker of Dorking: All of you have mentioned disadvantage. The

standard rate of unemployment, according to the Government, is 14.4%. Have you been able to identify in your work how much higher it is for disadvantaged children? Have you been able to put a figure on it? We have been shown figures in Birmingham that show there is quite a big variety in NEETs between Sandwell and Warwickshire. Have you been able to identify this?

Laura-Jane Rawlings: We do not have that detailed analysis yet. There are some big questions about the way regional information is being presented at the minute. I will defer to my colleagues on that.

Sope Otulana: There are updated figures this morning, so I would not want to give incorrect information. We know that young people overall, according to this morning's labour market statistics, account for 60% of the total fall in employment since the start of the pandemic. We know that there are regional differences. In Northern Ireland and in the north-east of England, for example, unemployment is rising faster than in other parts of the country. There is a mixed picture across the regions.

Sam Windett: This is exactly what our youth jobs gap data showed. A young person who is educated in Sandwell is twice as likely to become NEET as a person educated in Solihull. It really is at that local level that you start to see some big differences in the life chances of young people. It is not a minority of those NEET young people who are long-term NEET. In fact, our data showed that 75% of the overall number of young people who are NEET are NEET for longer than a year. A minority of those figures are short-term-NEET young people.

We really need to be focusing on preventing young people becoming NEET in the first place, of course, and on quickly supporting them to get into education, employment or training, but then we really need to focus on young people who have been out of education, employment or training for the longer term.

LJ or Sope referred to this morning's figures, which showed that long-term unemployment is rising among young people during this pandemic. It has now hit over 200,000 unemployed in the longer term. That has risen quite substantially.

Lord Baker of Dorking: Is that going to be a permanent feature? How are you going to deal with those 200,000? Are they going to be stuck there?

Sam Windett: The idea is for the Government to help them not be stuck there. Schemes like Kickstart, for example, which are being brought in, need to target those young people with that opportunity. A six-month work placement where the wages are paid is a great opportunity for that young person to get some work experience on their CV. Like Sope said, if they are in a job, it is better to look for another job and hopefully get a transition to a sustainable opportunity after that.

Some of these young people will need more intensive support. They might need more specialist support. They might have a number of different barriers to work that will need to be worked around, but

identification and support is absolutely essential. There is none of what the Treasury would call dead weight here. Those young people are more likely to be stuck. That is a horrible message, but we need to get them support and we need to get it to them quickly.

Lord Baker of Dorking: There are lots of schemes. You mentioned one, Kickstart. There are traineeships, SWAPs, youth employment recovery, youth hubs and tutors. Of all these government schemes, which are the two or three that are really important and should have more money spent on them?

Sope Otulana: Again, I would reframe this slightly. Of the provision that is available, what is needed is a joined-up approach and coherence, to ensure that the entirety of the youth offer works together for young people without risk of initiatives competing when they should exist to provide a range of good options. For example, there is evidence that participation in Kickstart is dampening appetite for employers to offer apprenticeships, because the incentive for employers participating in apprenticeships is not high enough.

It is about the combination of provision; it is about different offers for young people who are on different journeys. For Kickstart, apprenticeships and youth hubs in particular, the Youth Employment Group has done some thinking about how those could be improved, and I would be happy to hand over to Laura-Jane to provide some context.

Lord Baker of Dorking: For you, it is about apprenticeships and Kickstart.

Sope Otulana: Yes, and youth hubs.

Laura-Jane Rawlings: I agree. There are competing policy areas. That has to be taken into account beyond the question of where we invest the most. Young people tell us that when they are in work they feel much more confident about their futures. We know it creates positive experiences. In particular, there is high appetite from young people for apprenticeships. I would like to see a real focus on making the apprenticeship policy work for young people, which it has not done since the inception of the apprenticeship levy. In fact, it has worked against young people for this period of time.

Lord Baker of Dorking: The number of apprenticeships for young people has dropped, has it not? It is falling.

Laura-Jane Rawlings: Yes, it is falling very hard. There is also an absence of level 2 opportunities for those young people who perhaps are not successful in mainstream education. Many are not. There are not easy ladders to progress on to apprenticeships, as there should be.

Sam Windett: Being joined-up is the most important. If I were to pick a top three, I would pick extending Kickstart past December and expanding it to groups that may not benefit but would benefit from that support. It should not just be young people on universal credit.

I would look very seriously at self-employment routes, which have not had nearly enough attention for young people. This would look at the new enterprise allowance. How is that working for young people? How are we helping young people to grow their own businesses and enterprises?

Lastly, I would look at youth hubs, which have the potential to radically transform the landscape for young people. They are an incredible proposition to join up local support in the community with employers, local partners and specialists, but they need to be turned up to 11. We basically need to look at what success looks like for a youth hub and how we can put the resource in to make that work. There need to be some funding streams specifically for youth hubs to really bring that together. They are needed now more than ever, but they have the potential to change things in the long term.

Q20 Lord Baker of Dorking: Laura-Jane mentioned that many of the unemployed were saying to her that they were not confident in their skills. Do any of you have comments about whether schools turning out youngsters at 16 gives them employability skills?

Laura-Jane Rawlings: This is my passion topic. Our schools should be very focused on preparing young people for their future in all the ways, and in all the ways of the 21st century. The curriculum does not play well to that. There is a real opportunity and moment now for us to reflect on our national curriculum. There has been an absolute increase in the number of young people gaining work experience and encounters with employers, which are vital in education, but of course in the last 12 months that will almost have all stopped because our employers and our schools have not been able to connect during the pandemic. There is much work to be done.

I am really pleased to say that we are leading a campaign with the Careers and Enterprise Company to reach young people this summer. We have created an online skills programme for young people that has already had 10,000 young people engage with it since March. Young people want to be prepared. They are looking for resources. Our schools can step up to this challenge. There is the opportunity within the system now to do that.

Sope Otulana: I absolutely agree. It is telling that 16 and 17 year-olds have the poorest outcomes among young people. That really demonstrates the need for potentially more flexibility and more connection between school and non-school policy so that young people can be, again, on a journey that is best and most suitable for them.

As Laura-Jane mentioned, our education system is absolutely able to step up to the challenge. One potential area where this might be done is to look again at coherence across government—DfE, DWP and beyond. For example, it could look at what it might mean for DfE to consider industrial strategy, and the fact that the future of work should be shaping the skills we look to develop and the careers advice that we give to young people in schools.

Sam Windett: The only thing I would add is that basic skills, English and maths, are pretty much essential for most jobs. We also need to look at essential skills: teamwork and communication are also very important for moving into work.

Transitions are often overlooked. Alongside a youth opportunity guarantee, there should be a careers guidance guarantee so that young people really reach the Gatsby benchmarks of two interviews before they leave full-time education. One of our charity partners, Resurgo, has a six-week course looking at motivation as well as moving people into work, CVs and all the rest of it. Motivation is a really important element of that, so it should not be overlooked.

Q21 **Baroness Clark of Kilwinning:** You have spoken about some of the driving factors that push people into the situation where they are classified as NEET, and of course there has been a whole range of different schemes over many decades. Your comments about apprenticeships are really interesting. Could you say a little bit about why you think that many of the various policies and interventions over the decades have been unsuccessful and actually very unpopular with young people themselves? What lessons have been learned from that that are being implemented in terms of Kickstart or indeed the other schemes you have talked about?

What further could be done so that we are making an offer that young people really value, that gives them the skills they need and that takes into account the way we want the economy to develop, whether that is in terms of the green jobs of the future or improving skills in, say, social care? How is that all being joined up? What advice would you give both about why we have not been successful in the past and how we are incorporating that now?

Sam Windett: That is a fantastic question with so many features in it. I will take a small part of it. Why have schemes failed in the past? There has been a dearth of evidence on what works in this area. I know I am going to sound like a broken record here, but there has been a lack of join-up between departments to make these schemes work. A lot of young people, especially those who are NEET, fall between government priorities and responsibilities. Often, they end up the responsibility of no department. That is really important.

We need an absolute and intentional focus on these young people, but we cannot just do things to these young people; we have to do them with young people. I mentioned a cross-government task force. That has to be with young people, listening to what support they think they need. There are key elements of successful programmes. There is evidence that you need to target young people effectively, have high-quality engagement and tailored support that is personalised, carry out good needs assessments and triage young people to the right places. There is also evidence that wage subsidies and intermediate labour markets are successful with young people. Kickstart is partly that, building on the Future Jobs Fund.

Some elements of these are being brought in at the moment, but we need a lot more coherence to that and a lot more provision for those young people to be able to move into. Like I say, we need to have the young people helping to decide.

Sope Otulana: I agree 100% with what Sam has said about why certain programmes have not worked. I would add that some have not provided sufficient support to young people who face additional barriers. In addition to understanding those barriers and listening to young people, there is a need to pivot and change approach to address those barriers head on. Some have not created opportunities for those who are work-capable but not quite work-ready. This is in the vein of the recommendation we are making on Kickstart, which is to expand the criteria beyond universal credit recipients and those who are deemed work-ready. We need to look at what young people have to offer and build an opportunity around that.

Again, past programmes have not always provided that wraparound holistic support, which would be gained by having a more joined-up approach across departments to understand young people's different needs.

Baroness Clark of Kilwinning: Do you have any experience of young people telling you what they think of Kickstart and whether they think it has worked for them? Do they think it is a quality scheme, to use a word that has been used? I do not know whether Laura-Jane would want to come in on whether they feel it is something that is valuing them and giving them what they need.

Laura-Jane Rawlings: It is early days, and it is mixed. In principle and on paper, young people in our network were really keen on the Kickstart programme. These were quality, paid work experience opportunities. Young people recognise that work experience supports their skill growth and their understanding of the world of work. Work experience is really important to young people, and they know that. On paper, Kickstart is a good policy.

The challenge we have is that a lot of young people whom Kickstart is aimed at have been at home in lockdown for 12 months or more. Anxiety levels have risen among some of that cohort in leaving the house and accessing opportunity. For some young people, working from home is not possible. We have talked about some of the disadvantage gaps. For some of those young people, we have to create experiences in their places of work rather than having young people working from home, where that is not always possible or feasible.

For many young people, it is a question of quality. Young people want good opportunities. Let us make sure that they are not making tea anywhere and that they are learning and developing skills. We need to see quality in that wraparound support and quality in that employment opportunity and where it goes. If we get that right, it will be a welcomed programme for young people, but there is a step here in recognising that many young people, particularly those at whom Kickstart is aimed, are

nervous about leaving the house and taking up a first opportunity when they have been in some sort of isolation for 12 months or more.

Sope Otulana: I would echo that. Towards the end of last year, we did an ethnographic study with young people from different backgrounds and asked them what they thought about the Kickstart programme in principle, and it was very much the same as what LJ has said. They are on board with the idea of it but concerned about that step out after having been out of work, out of school or just having lost some of the skills they had started building before. They also want to be sure that there will be something productive waiting for them at the end of their experience with the Kickstart programme.

Q22 Lord Clarke of Nottingham: I would like to follow up this extremely interesting line of questioning from the two previous questions, particularly the big variety of programmes which the Government announced last summer at the time they introduced Kickstart.

With your experience of working with young people, what, so far, is working, beginning to work or contributing? What is wrong with the package? How could it be improved? This is looking at the Government's youth offer and the things that appear to me to be particularly aimed at those with the most difficulty here.

First, let us look at work coaches. We are busily recruiting thousands of work coaches. There is a particular scheme under the youth offer where you can have six months of coaching covering what used to be called careers advice but also what sort of approach a young person should take to getting a job and getting work experience. How is that scheme working? What is the reaction you get from the young people that you meet?

Sam Windett: The first thing to note is that the youth offer is only available to young people who are signed on at the jobcentre. We talk about the young people in most difficulty, as shown by LJ's and Youth Employment UK's Youth Voice Census data, but there are a number of young people who do not go to the jobcentre and do not sign on. Of course, the youth offer is not available to them. Elements of the youth offer and programmes like Kickstart would be really beneficial to young people who do not come through the doors of a Jobcentre Plus. That is worth bearing in mind.

The big increase in work coaches is absolutely essential. There is a huge number of unemployed people on the whole. There were not enough work coaches, so there had to be an increase in the number. However, when it comes to new work coaches, we have to watch out for their level of training, their understanding of the young people in their case load and how they are delivering that support. In the last year, it has mostly been digital. For some young people, that will be absolutely fine. They will communicate through the journal online, and that will be okay. We are talking about those who perhaps face multiple barriers, or more disadvantages to moving into work. Some work coaches have been able to work face to face, but mostly it has been digital.

When we say “long-term unemployed young people”, if this is since March last year, for example, that is a year ago. The only interaction a lot of them will have had will have been digital interactions with their work coach. When jobcentres open up again, there needs to be a real prioritisation of the young people who might have more barriers and who may need more support. They could be fast-tracked on to programmes like Kickstart, for example.

Sope Otulana: I absolutely agree. The need is so increased and so high that the increased number of work coaches absolutely makes sense. I would also reflect on the fact that the version of jobcentres that works best for young people probably looks most like youth hubs, something that has been co-designed with young people from those marginalised backgrounds to really understand what support they need, how best to access it and what outcomes they hope to get out of participating.

There is evidence that co-locating services in an integrated way can be hugely beneficial. Again, this is not just about an increase in one particular type of support, but about bringing various types of support together. A commitment to funding that is needed. It also provides an opportunity to work with local authorities, which understand the local labour markets and the needs of young people locally, non-profits and the education sector. It is one part of a holistic package of support.

Laura-Jane Rawlings: We are quite excited about the youth hubs opportunity. If we get this right, we could transform services for young people. I would add that there is an opportunity to utilise the youth-work sector, which is wedded to understanding young people holistically. There are some lessons that can be transferred across into our approach with work coaches.

Building on what evidence we have about what works, making sure that our work coaches can provide that one-to-one support holistically and bring in those services will be key. Young people repeatedly tell us that they want one-to-one support when they are transitioning: someone who can understand their needs, the barriers and the opportunities that would best fit that individual. We need to put that time in to support young people, particularly those who are most anxious and who have spent such a long period in isolation. They are going to need some real time and care around them when they engage our services.

Lord Clarke of Nottingham: You all seem quite keen on youth hubs, which is one of these packages in the youth offer. I am very excited to hear that. It is a six-month thing, is it not? Has anybody given any explanation as to why the whole youth offer is only open to those who have claimed and are receiving universal credit as well as having gone to the jobcentre? It sounds as though youth hubs would be particularly useful to some of the NEETs who have been persuaded to come and seek help. Do you have any idea why it was designed in this way? So far as you know, has anybody considered extending eligibility for youth hubs?

Laura-Jane Rawlings: We are calling, and have been since the creation of the youth offer, for this to be extended to young people who are not

on universal credit. As Sam has said, so many young people who will find themselves not in education, employment or training will not go to a jobcentre and will not apply for universal credit, so we must extend that offer.

It is fair to say that colleagues across DWP recognise that issue and they have been exploring with us what this might look like, but we are yet to see that kind of expansion be committed to. Sam can probably talk a little more about the experience we have had with colleagues in DWP.

Sam Windett: I would flip it on its head slightly and say that youth hubs provide the answer to that question. They are reaching young people who are not traditionally coming into the jobcentre. A youth hub is essentially work coaches co-located within a different partner organisation. It could be a library; it could be a charity; it could be lots of different organisations. Those organisations will be reaching other young people.

If they should be claiming benefits and they want to, that is a great time to engage them and bring them in, so that they can understand that and claim that support and work within the system. Equally, if the Government were to expand something like Kickstart, as one element of it, to young people who were not on universal credit, you would have a much bigger offer within a youth hub. A youth hub would be able to cover a lot more young people in its community with different initiatives and different support for different young people there.

I feel like we are at the beginning of a really expansive journey, which I hope Treasury will invest in. The DWP is setting up something that is a really important part of the landscape within communities.

Sope Otulana: I am in agreement with everything that has been said. Being a universal credit claimant provides a simple tool for targeting, but it risks missing those young people who are from disadvantaged backgrounds but have not made a claim and would not enter a jobcentre. Young people tell us lots of different reasons for that, such as stigma and just not feeling like they are getting the kind of support they need, covering the various areas where they need support.

Again, I would just echo that there is an opportunity here in expanding the eligibility to improve the impact not just of the youth hubs but of Kickstart and other programmes.

Lord Clarke of Nottingham: The other newer thing in the youth offer was this youth employment programme. It is a 13-week programme that will be offered. Youth hubs are the one that seems to arouse all your enthusiasm. How is that youth employment programme going? Can that be improved in some way to be of more use? Again, could that be extended to people who have not applied for universal credit?

Sam Windett: We are going to look at the 13-week youth employment programme in the context of a youth hub. Is that 13-week programme right? Who delivers it? Where does additional support come in? How do partners interact in it?

Lord Clarke of Nottingham: You are just studying it for the moment.

Sam Windett: At the moment it is very early days on all these elements of support. We are looking at that and whether it is the right area for support. One thing about all this is that the biggest lever the DWP has is jobcentres, and the biggest lever in jobcentres is the benefits system. Of course, as Sope said, some of these initiatives are targeted for a reason: because they are almost within grasp. You can grasp that lever and you can pull it. For young people, when we think about all their needs and where we can engage them, it is not just about grasping a lever; it is about making all those levers work together.

Lord Clarke of Nottingham: Do you agree with that, Sope? Most of these programmes sound as though they are almost designed for NEETs rather than benefit claimants.

Sope Otulana: I definitely agree with what Sam is saying. There is a need to spend some time understanding what is working from the programmes that have been rolled out since the pandemic and what is working in which contexts and for whom. As you rightly say, there are issues to do with the fact that young people who are more at risk of being NEET versus young people who are more at risk of unemployment are from different backgrounds. Taking the time to understand the different ways in which this programme and these types of offers are working will be an important part of learning in the future.

Lord Clarke of Nottingham: Laura, have you had time to have a look at the 13-week youth unemployment programmes?

Laura-Jane Rawlings: I have. In fact, I joined a session with some young people who were on the 13-week programme from Cumbria. What is really interesting about that 13-week programme is that in many cases it would have been better for young people to be able to go and speak to a work coach and have 13 weeks in a face-to-face environment; we know that. The sooner we can get those jobcentres open and those programmes face to face, the better. There has also been some really innovative practice from work coaches, such as bringing in external speakers to come and inspire young people and engage them with different skills and training, and signpost opportunities.

Again, in some cases, DWP colleagues have been working tirelessly to support their young claimants. It would be to the benefit of all if we could extend that outside of claimants, to include those young people who find themselves without a support system. Local authorities, in partnership with jobcentres, will have to play a really important part in the recovery.

Q23 **Baroness McIntosh of Hudnall:** I want to ask a big question, but I do not necessarily want you to answer it now. Perhaps you could write to us. This is about the correlation, if any, between people who are not engaging and are therefore not putting themselves in a position to take advantage of the schemes that do exist, and the criminal justice system. I do not need to explain why that might be significant, and it might be a significant lever in persuading the Government that perhaps they ought to look beyond the people who are engaging to the people who are not.

Chair: Lord Baker, you just wanted to add something as well. I will then

go quickly around the three witnesses to respond to either or both of those points.

Q24 Lord Baker of Dorking: We have learned a lot about youth hubs. It is very interesting indeed. They are very good things. Who organises them? You have so many departments involved in this. Are local government involved as well? The message I am getting is that the Treasury does a bit, the Department for Education does a bit, the Department for Work and Pensions does a bit, the benefits system does a bit. Who pulls it all together?

Sope Otulana: I might start with Baroness McIntosh's question. It is a much larger question, as you say. We know that experience with the criminal justice system increases your chances of being not just unemployed but long-term unemployed. You very rightly have pointed to the need to understand the correlation between those things. Again, there are factors that would tend to be obvious on the face of it. If you are incarcerated, you may not be achieving qualifications. Having low qualifications is also a driver of being long-term unemployed. I am absolutely willing to provide something in writing for you that examines that more closely. It sounds like that would be helpful.

In terms of youth hubs and co-ordination, it really is a team effort. Again, the partnerships are with local authorities and the DWP. As Sam described it, work coaches are co-located with other services. The need to engage local authorities in that co-ordination is quite strong, as well as charities that are offering provision to young people and the education sector. Quite a level of co-ordination is needed across the piece. Co-ordination may not look the same in every location, as it is a highly localised offer. Again, that co-ordination with young people and that co-design aspect would be crucial to understanding what aspects of the offer take the lead or are the most prominent and the ways in which those are offered to young people.

Laura-Jane Rawlings: On the question about the criminal justice system, we are supporting a piece of work, which the Home Office is leading on, about creating an opportunity. I will again create something in writing for you and share some of the insight from the work that is happening there. It is a very important point that you make.

On the youth hubs, the opportunity here is to get national policy working for young people and joined up, and then to deliver that policy at a local level with local leadership from the local authority, the jobcentre, the youth sector and the employment sector. It is only by having the national policy working, with those incentives and pathways for young people working, and then implementing that at a local level, with leadership and investment, that we will really see the potential, which we are quite excited about, of the youth hubs. There are too many cooks. We definitely need a leader for the youth hubs. We definitely need accountability nationally somewhere for youth hubs, and we definitely need investment to follow that policy.

Sam Windett: Baroness McIntosh, it is a really important area. We have a subgroup in the Youth Employment Group just looking at youth justice and employment. I would be very happy for you to speak to that group at their next meeting and to feed in information. I would be really keen to focus on that. Our subgroups are doing really important specialist work across different areas, and that is one of them.

Lord Baker, that was a great question. We are being very aspirational in this meeting about the opportunity that youth hubs present. You are exactly right in asking, "What are the dangers? What are the risks here?" It is a sliding scale for me. At one end, it could be a couple of work coaches with some plastic chairs and a table sitting in the corner of a library. That will not change the world. That will not make services a huge amount better for young people.

What we are talking about is bringing that will from the Department for Work and Pensions to co-locate and to partner with those local partners, rethinking governance structures. Could young people help to govern these youth hubs themselves? How does a combined authority work? Combined authorities are doing a lot of work on youth hubs; they are helping to lead on some of this. Where does accountability really lie? The Youth Employment Group is stepping up to try to help look at some of that work.

The one partner you mentioned that has not stepped forward quite as much is the Treasury. A lot of these partnerships are formed are based on love, for the benefit of young people, but not a lot are based on funding and resourcing. That is one partner that could come to the table a bit more.

The Chair: Thank you for that. You have given a very helpful amount of detail in your responses to the committee.

Q25 Lord Davies of Oldham: I am greatly encouraged by this first session that we have had this morning. There have been a great deal of positive responses to some very detailed questions from my colleagues, and I have been greatly encouraged by that. None of us, however, should underestimate the challenge that we face. After all, we are dealing with a problem that is part of the crisis. Young people are going to pay a very heavy price unless we succeed with a number of these schemes.

I was particularly concerned about the fact that attention had been and is being paid to those who are very difficult to employ in the market. There are an awful lot of young people who suffer quite clear prejudice against them. We just mentioned a moment ago those who have some kind of record, if they have been detained at Her Majesty's pleasure. There is also, of course, the issue that society reflects disadvantages that pertain to the BAME group of our people. Unemployment is a critical one.

We have learned this morning that there is considerable optimism and there are a considerable number of very positive ideas, which I am glad to hear are being sustained by the Government, although I notice that there is a codicil constantly attached to every response, which is, "We think the Treasury is involved in this". By heavens, the Treasury has to

be, if we are to make these schemes a success.

The other aspect is that we should not underestimate the challenge of the world of work for people coming from schools. School education is little related to the world of work in many respects. The career advice that is offered in schools is inevitably very limited, because the priorities of the schools are largely different. It seems to me that we have to recognise that we have to bridge a gap that successive generations of young people have had to cope with: coming out from school with little idea of what the world of work demands or even, for that matter, what it offers. This morning our three contributors have gone a very long way to identifying how we can bridge this kind of gap and reach these demands, because there is no doubt that we are in for some quite shocking figures for a period of time, given where we are at the present time.

It is challenging for young people. I am mightily pleased to see three contributors who are positive about what we can achieve and indeed are optimistic about what is going on at the present time, but all of us who are involved with government in one respect or another recognise that, unless the firm hand is grasped and is shaken vigorously in favour of what you are trying to achieve, the achievement will be far less in fact than we would hope and, indeed, than society needs.

Sam Windett: That is a good way to wind up these comments. I am really pleased that our optimism and positivity for what could be done has come across. It has really seen us through the last year. We formed the Youth Employment Group to provide solutions and to bring the sectors together, because we have to focus on young people. The figures this morning, as LJ quoted, show that 63.1% of the fall in all employees on payroll has been the under-25s.

We must be under no illusion, though, despite our positivity and optimism, that 2021 will be a far more challenging year for young people than 2020. We are now starting to see some of what the Chancellor announced in his plan for jobs last year for young people, but this must go further. That long-term unemployment is the thing we need to crack. We cannot have young people staying out of work and locked out of the jobs market. We cannot have that. It does happen in recessions, and it has happened in previous recessions.

The timing of this inquiry is really good, because I worry that the foot will come off the pedal. It feels like we have some initiative and we have partly solved the problem, but we have not. The year 2021 will be very challenging, and we need to think about what more we can do. In the last Budget, there was very little focus on young people, which was really disappointing. We need more economic events this year to focus on young people who need support.

Laura-Jane Rawlings: The possibility of us coming together to support young people with young people is what keeps Sam and me and colleagues with smiles on our faces. We believe that this work absolutely has to be done. It has to be prioritised and it has to happen now. This is not just about 2021 but about the years to come, because the impact of

the coronavirus on this young generation will be long felt. There is much to do. The solutions are there. It is just about joining them up and putting the real levers in play, which include firm investment from the Treasury.

Sope Otulana: I will close by saying that it is that closeness to what young people have told us about what they hope happens this year and in the future that has prompted a lot of the thinking about how to make that happen. Those inequitable outcomes and the high figures of long-term unemployment really drive home the story. It is really important to reflect on the labour market statistics that came out this morning. They refresh us on the state of affairs.

Tying together everything that has been said, if we want to improve outcomes for all young people and especially those who face additional barriers—as Lord Davies mentioned, these are the people who struggle to enter the labour market and are furthest from the labour market—what is really needed alongside that funding is evidence about what actually works to inform policy and practice. We need to take what we know works to accomplish a number of things and tackle the barriers and inequities that young people experience.

Q26 The Lord Bishop of Derby: Really helpfully and very properly, we have been concentrating thus far on what will enable young people, particularly the hardest-to-reach young people, to enter these opportunities that are under discussion. What is missing from these opportunities that will ensure that these same young people do not end up back without work or out of education or training once they have been through the programme? What is missing to ensure that the provision that is being made leads to things that are sustainable, which lead to longer-term employment? I want to look at the exit bit of the programmes rather than the entry bit of the programmes.

Sope Otulana: In the first instance, those programmes need to provide young people with the right kinds of skills and the right types of experience. As LJ or Sam said, we do not want them making tea or photocopies. These need to be meaningful employability skills, both the softer skills of teamwork and the skills they can then take going forward. If they are not developing those skills on the programmes, that will create a problem.

Looking more at the big picture, those skills need to be relevant to the opportunities that exist. They need to be those future-proof skills that can transition them into sectors where we know growth is happening, such as green jobs, digital and care. These are roles that have been more resilient to the pandemic. In our early analysis of the labour market and how it is looking now for jobs for young people, we think that young people will be able to transition into those roles. Young people need skills that make sense, that are real and add to their employability, and that fit the demand for roles that will exist into the future.

Laura-Jane Rawlings: We have to wrap in that careers education piece, so that young people can navigate the future labour market beyond that experience. That is really an important step here.

The second thing is to make it easier for employers that are growing and that are taking on and are committed to young talent to move from, say, a Kickstart to an apprenticeship opportunity, so there is a very clear, sensible and straightforward journey for an employer to take that young person, invest in them and see them in their future business. We should not be allowing organisations that might not exist in six or 12 months or that do not have long-term plans for youth employment to make the most of those opportunities. It has to be where there will be good jobs at the end of them.

Sam Windett: Those are very comprehensive answers. I totally agree with Sope and LJ. Particularly for programmes like Kickstart, there is not enough focus on what that good support looks like. For the employer who is with the young person, what are they prioritising at that end stage? What is the work coach doing? How do we make that really comprehensive?

If they come out of Kickstart, yes, they have had a six-month opportunity, but this is about sustainable employment. What happens to that young person? If we start a race for numbers and how many Kickstart placements we have achieved, will be missing the point. The point is about what is happening to those young people afterwards and whether they moved towards or into sustainable employment afterwards. That is what we need to keep the focus on.

The Lord Bishop of Derby: Is this kind of focus at that point in place yet for things like Kickstart?

Sam Windett: It is the same as with a lot of things over the last year, the Youth Employment Group included. There is a scene in "Wallace and Gromit". Gromit is on a miniature train, and he is laying down the tracks in front of him as he goes. That is a bit like how these things have been rolling out.

I do not think any young person has been on the Kickstart scheme long enough to get to that transition point, but we need to have planned it now, because young people will be soon. We need to make that a quality transition. Members of the Youth Employment Group have come to me and said, "We are working with employers looking at apprenticeships. How do we work with others who are delivering Kickstart and tie the two together?" We should be doing that right now. I worry that I am not hearing enough of that. We could do more.

I will make one final point. In the rush towards employment, we should not lose all the good work that has been happening over the last few years about what quality of work looks like for young people and what quality employment is. We do not want young people to be unemployed, but what do good jobs look like? Again, we have a subgroup of the Youth Employment Group looking at that, because it is a really important point not to miss.

Q27 **Lord Empey:** Good morning, everybody. My question brings us back to schools. Lord Baker has already touched on it. Are our schools actually teaching young people the right skills for work and for the job

opportunities available in those areas?

This also brings us to careers education. Can that be supplemented? Young people complain sometimes that they have never been taught anything about how finance, government or the system work, and then they become part of the unbanked, which is another issue. Could we solve a lot of our problems at school level before people become eligible for the labour market?

Laura-Jane Rawlings: Schools have worked tirelessly over the last 12 months. I am mindful of not coming in and adding more workload to our teachers; they are a group of people who are so committed to the future of our young people. The curriculum no longer stands up for the journey that young people have into employment or where the future of jobs will be. I have a 16-year-old son who would have just completed his GCSEs, who was learning the same curriculum I was learning 20-some years ago. They were the same books in English literature across a 20-year period. I might just leave that as a point for further discussion on another day, but I do not feel that teachers have more capacity to do more. We have to rethink what the outcome needs to look like for young people.

Sope Otulana: I agree with Laura-Jane. I would also note that it goes in multiple directions. I mentioned, for example, the potential for DfE to think about industrial strategy when developing the curriculum, but there is also an opportunity for industry to recognise its role in supporting future workers in developing skills and influencing curricula. That cross-government and cross-sector dialogue is part of getting schools to where they need to be to develop young people with the skills they will need for the future of work. The weight of it should not rest solely on educators.

Lord Empey: As a matter of interest, are you aware of whether industry bodies engage with the education sector on the curriculum?

Laura-Jane Rawlings: With the role of the Careers and Enterprise Company, we are seeing more and more employers engage with schools. There are some freedoms. I look to Lord Baker here as one of the experts in the room who cannot be overlooked. There is a lot of work happening between businesses and schools. In the last 12 months, we have lost so much learning that the pressure for schools to deliver EBacc results will mean that those opportunities for employers, young people and careers leaders to be together, as we were seeing prior to the pandemic, will be much less in this period, which we are calling catch-up, because it will all focus on academic catch-up as opposed to life skill and employment skill catch-up.

Sam Windett: I completely agree. I do not have a huge amount to add to that, other than that our Youth Employment Group work has worked very closely and well with the Department for Work and Pensions and the Department for Education. Despite always needing more join-up, we have worked closely. There has been less join-up with BEIS.

I agree with Sope: a lot of employers are looking to the building back better strategy that was recently published, and thinking about their role

in building back our country. However, what is the role of young people in that? I do not see it clearly. We are talking about high-level skills, which is great, but I do not see a pathway for our young people from where they are now and where they can contribute to those kinds of strategies. We could have a government task force with young people that looked at that. If you need alliteration, it could be “fixing fulfilling futures”, or whatever it needs to be, but building back better also needs to include young people. With employers and schools working together, we could then see more of that join-up.

The Chair: Thank you, everybody. Could I check whether any colleagues have anything finally that they want to raise at this point in the proceedings before we move on to the next session? Sam, you wanted to say something.

Sam Windett: I was only going to add an invitation to all committee members to our Youth Employment Group meetings. They are monthly, and you would be very welcome as honoured guests to join our conversations. Our next one is at the end of March and is about race and young people and employment. There are also our youth voice forums. Please feel free to come and listen to young people talk about the issues that are important to them.

The Chair: Thank you very much for that. I hope that some colleagues will be very interested and willing to do that. If I can, I would be very keen to engage.

Can I thank all three witnesses very much indeed for your contributions? A large number of facts have been covered, lots of opinions have been expressed and a huge amount has been recorded. There will be a transcript for you to look at, and we will be paying very close attention to all the detailed points that you have raised. Thank you all very much indeed for your participation, which is appreciated.