

Work and Pensions Committee

Oral evidence: Department for Work and Pensions preparations for changes in the world of work, HC 358

Wednesday 23 September 2020

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[Watch the meeting](#)

Members present: Stephen Timms (Chair); Debbie Abrahams; Shaun Bailey; Neil Coyle; Steve McCabe; Selaine Saxby; Dr Ben Spencer, Chris Stephens, Sir Desmond Swayne.

Questions 1 - 39

Witnesses

I: Joe Fitzsimons, Head of Education and Skills Policy, Institute of Directors, Sam Windett, Director of Policy, Impetus, Torsten Bell, Chief Executive, Resolution Foundation.

II: Ashley McCaul, CEO, Think Forward, Ben Marson, Ben Marson, Director of Partnerships, The Prince's Trust, Laura-Jane Rawlings, Founder and CEO, Youth Employment UK.

Written evidence from witnesses:

[Youth employment UK](#)

Examination of witnesses

Witnesses: Joe Fitzsimons, Sam Windett and Torsten Bell.

Q1 Chair: Welcome, everybody, to the first meeting in our new inquiry on the DWP's preparations for changes in the world of work. Welcome to the witnesses for the two panels we have this morning. We have all six witnesses with us already. Thank you all very much for joining us today and being willing to give evidence to us. Would each of the three witnesses in the first panel briefly introduce themselves to us, starting with Sam Windett?

Sam Windett: Good morning, everyone. I am Sam Windett. I am Director of Policy at Impetus, which helps to transform the lives of young people from disadvantaged backgrounds, helping them to succeed in school, work and life. I am also Co-Chair of the Youth Employment Group, which formed at the start of this crisis. It now has over 150 leaders from the youth employment sector on it. I will not be speaking this morning on behalf of that group, but I probably will refer to its recommendations.

Torsten Bell: Hello. My name is Torsten Bell. I am the Chief Executive of the Resolution Foundation.

Joe Fitzsimons: Good morning. My name is Joe Fitzsimons. I am the Head of Education and Skills Policy at the Institute of Directors.

Q2 Chair: Thank you all very much. I will start the questioning by asking each of you what the impact of the pandemic has been on the employment prospects of young people in the short term and also in the long term. Have we seen some significant longer-term changes unfold over the last six months?

Sam Windett: In recessions we have seen in the past, young people always tend to be the worst hit. They often struggle in a turbulent labour market, perhaps with less work experience than other workers. We are definitely seeing that starting to play out in the statistics.

The most recent ONS data showed that 156,000 fewer young people were in employment in the last quarter. To put that into context, other groups stayed roughly the same; there was very little difference. The biggest fall by far has been in young people's employment. We can also see that in the claimant data. Before the pandemic about one in 15 young people was claiming benefits. Now that has risen to one in seven. That is quite a big rise and is in the immediate term. Often the youngest is the first in and the first out.

One of our charities, Resurgo, supports young people from more disadvantaged backgrounds into employment. Of those they have surveyed since the beginning of the pandemic, 61% have either been furloughed, lost their hours, lost their job or had reduced pay. Only 39% had no change. You can see that compared to the national statistics young people seem to be faring a lot worse.



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Looking further ahead, again, young people will tend to fare worst, but we will see the impact rolling through next year and it will become more apparent. We are seeing more young people going into education now. That has been quite a rise, but it might be only a temporary respite. We are likely to see youth unemployment rise a lot further.

By the calculation of the Youth Employment Group, if we want to get the level of young people who are out of education and employment back to pre-pandemic by October 2021, the Government will need to create an extra 1,000 opportunities for young people every day. That is the scale of the youth unemployment challenge as we look ahead. It is a really big mountain to climb.

Torsten Bell: I agree with that. We can see clear evidence of young people being hardest hit. The very youngest are twice as likely to be furloughed. By “young” here, we are talking about actually young rather than what those of us who are middle-aged would like to call young. I am talking about 18 to 25 year-olds. Broadly, people in their 20s but particularly at the younger end of that range are the hardest hit. The only caveat to that is there is some evidence that the over-60s, the very oldest of working age, have also had a significant hit as well, but it is still much larger for those in their late teens and early 20s.

That is clear from the furlough data. I would rely less on the claimant count data. That is basically nonsense at the moment. Ideally, we would have sorted that out before the recession started. I would focus on what we can see in the harder data, where we can see that the unemployment rate, which has now started to tick up, is being driven by 18 to 25 year-olds. We saw a record 150,000 fall in employment from May to July among the youngest workers.

Q3 **Chair:** Torsten, why should the claimant data not be looked at?

Torsten Bell: Lots of things are going on. The claimant count data was already not brilliant as a measure of unemployment pre crisis, largely because of the transition to Universal Credit. The crisis has sped up the transition to Universal Credit by increasing churn among working people. That is then driving a bigger wedge between what we mean by unemployment and what we mean by the claimant count. There are also measurement problems going on about how often we are checking people’s work status and conditionality status during the crisis. I would avoid using claimant count data. It is fine to use it to corroborate things or to measure relative differences between places, maybe. I really would not be using it as a prime measure of what is happening in the labour market at the moment.

There is a very long report on our website, Chair, if you want to read 60 or 70 pages but, as a simple version, I will leave it for now and focus instead on the HMRC RTI data about how many employees we know are working. That is showing 700,000 fewer employees in August. I would also focus on what we can see in the Labour Force Survey data, although there are



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challenges with the collection of that at the moment. That shows that on top of the fall in employees, there was a very big hit to the self-employed during the crisis, although the hit to the self-employed was less focused on young people than what has happened to employees in the furlough scheme, which is very focused on young people. That matches what we saw in the crisis, but it is not all young people.

There is a bigger focus on young people this time, even though historically there is always a focus on young people, and that is being driven by the sectors that are most affected by the crisis. In the initial lockdown that was all face-to-face sectors: retail, hospitality, leisure. Now it is particularly hospitality and leisure, where we are seeing the biggest problems in getting people off furlough and back to work. Those sectors are heavy on young people.

But not all young people are the same. If you look at what happened in the financial crisis and you take people who had recently left education within two years with GCSE-equivalent qualifications, the unemployment rate went up to 30%. Remember that was versus 8% overall. There are very big differences depending on your level of qualifications. Last time people with degrees tended to trade down the kind of job they could get but they were much more likely to find work. That is now and I agree with what Sam said on everything else around that.

On the longer-term effects, history tells us a number of things. For the specific individuals affected by unemployment in the early phases of their career, there is a very clear lasting effect on their earnings and their employment. Even after the economy has recovered, they are less likely to be in work and they are more likely to have lower earnings than somebody who did not graduate during that crisis.

The second thing, which is slightly harder and is not talking about the effect on the individuals who did not get a job or lost their jobs, is that there is a bigger effect on cohorts of workers who are in the labour market during bad times when there is weak wage growth. That tends to have a scarring effect. Of the young people who graduated into the labour market in the financial crisis, the entire cohort saw little earnings growth. Remember that earnings growth happens in your 20s and 30s. People are not getting big pay rises into their 50s in general unless they are well-paid professionals. For the cohort that was graduating in the financial crisis and is now in their 30s and having children, their pay is still collectively scarred by that defining period being the early phase of their labour career. People who came into the labour market after them in their 20s have seen better pay growth over the last few years and have seen some catch-up versus people who are in previous cohorts. The 30-year-olds today are still doing less well than 30-year-olds born 15 or 20 years before. These are big effects.

Joe Fitzsimons: I can echo much of what has been said, certainly on the particular effects in the under-25 group in retail, hospitality and leisure.



There is a couple of trends we are seeing within business, particularly around business models potentially changing as a result of the pandemic and that being exacerbated by the current situation and potentially leaving a lack of jobs to go back into in the short to medium term. Young people will need support with retraining and reskilling as a result of that. There are also challenges around young people being out of work for too long, skills dwindling and it becoming more challenging as time goes on.

On the more positive front, for longer-term prospects there are many tech innovations and within these new business models many opportunities that have not been present to date. Younger people are often best placed to develop their skills, retrain and reskill for these particular roles. There are opportunities but certainly huge challenges in the changing landscape and situation we find ourselves in now.

Q4 Selaine Saxby: Good morning, everyone. I am keen to build on the point Joe has just started about the changing nature of skills. Are you starting to see any change in the skills that employers are looking for now compared to pre-pandemic or has there been an acceleration of the changes you were already seeing?

Torsten Bell: I will come to skills, but the best way to think about skills in this kind of timetable is what vacancies are out there and who is trying to recruit anybody now, because we don't have lots of survey data on the specific skills people are asking for right now.

Before we get on to the interesting nuances, the big picture is really important. The big picture is that people do not want to hire anybody right now. We should not lose that in the micro reads that I am going to come on to. We are still about 40% down on vacancies in February, even after the big increase we saw as we reopened the economy in June, July and August. That is from the ONS data.

The more timely data that we have from some companies does not show a huge change in September. It is not as if by August the vacancies had not turned up, but they are suddenly picking up in September, although they have grown slightly. We can see big differences in the rate at which those vacancies have recovered between sectors, mirroring the sectoral nature of the crisis. I would flag in particular that we have seen faster vacancy recoveries in the transport sector and distribution. You will have seen lots of new stories about big growth in delivery businesses. That is definitely going on. We can see that they are almost back to their pre-crisis levels for crisis-related reasons but not just for crisis-related reasons.

We are seeing a bounce-back in health and social work vacancies. We tend to see a big uptick in health and social work vacancies in autumn, but this is earlier than it would normally come through. Those are clearly crisis-related to some degree in their relative performance.

We then have change within some sectors. The overall level of spending within retail is back up to where it was before but retail is doing very



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different things. We are spending on big lumpy stuff and we are spending on things we can buy online. We are not buying clothes in physical stores. That is a change in the skillset in the people. At one level that is obvious; we are seeing the move to online retail speed up slightly and that means more warehouse jobs, more distribution jobs and fewer face-to-face sales jobs. Those are different skills. They are similar in the overall level of qualifications required but they are different preferences. Different people want to do those kinds of jobs, which is an issue. We are seeing changes within these sectors as well as changes between sectors.

There has been some bounce-back in ICT vacancies. Some people thought that there would be massive demand for loads of ICT working from home. The evidence does not show that coming through yet. That does not mean it will not.

Then there is change within places going on. We are seeing demand for workers in city centres down while we are seeing—although I do not want to overdo it—a faster recovery of footfall in local high streets. In greater Manchester, Wigan's economic recovery is much faster than that in central Manchester and so that will change those things.

The overall thing to say is that the lack of demand for work is the defining feature of what we are seeing. So far over the last six months, we had been in a phase where we had not seen lots of redundancies and the outflow from work had not started. That is now coming. Basically, we froze the labour market. There was nobody going in or out. We have now unfrozen it over the course of the last three months. Now we are in a slightly confused phase and wanting to freeze some bits and not others.

We are not seeing huge job opportunities in some areas beyond the ones that you have heard about in the news, in delivery, online retail and social care. In social care the vacancies are up but it is not clear that they are finding it that easy to recruit for an obvious reason, which is that we underpay our social care workers and it is a really hard job to do at the moment.

It is worth dwelling on how some of these changes reflect structural shifts in our economy. They are speeding up things that would have happened anyway. The change within retail is the most obvious one in that regard. Everyone talks as if all of the shock that is happening at the moment is structural, but that is not true. Some of this is temporary. The decline in hospitality that is going on is the opposite of the structural trend. We have found in the last 20 years that if you give British people another £1 to spend, they will spend more of it on experiences, face-to-face services, hospitality and retail and less of it on physical stuff in shops. That has gone into reverse, but it is temporary. In five years' time, more people will be working in hotels and restaurants than were last year, unlike in face-to-face retail where this decline is structural and has been going on since 2003. It reflects the path of technology and our human preferences.



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Joe Fitzsimons: I absolutely agree with everything that has been said. The range of skills that is in demand or that there is a lack of opportunities for has not changed as such. It has been exacerbated by the current situation.

We are seeing and understanding from our members that individuals who have diverse and broad skillsets, who are adaptable and able to do a variety of things and to change roles are potentially going to find this situation easier than others who may find it particularly more challenging. Digital skills, leadership and management are the three key areas we hear about from IoD members all the time, [Inaudible] management, tech experts to help organisations invest appropriately and tech people to help organisations to drive and maximise efficiencies. Those are the skills areas that members feed back on regularly.

There is not really a significant change in many ways. It has been exacerbated by the current situation.

Sam Windett: I cannot add to Torsten's very full answer there and Joe's great answer as well. I would put it together with the first question. If we are thinking about some of the challenges in the labour market and some of these shifts, are young people well placed to shift? Torsten touched on that. We cannot just expect that to happen. We should be providing support and training for young people to do so. I have spoken on panels across the country with young people and they have been very up for adapting and motivated to change. Maybe that is positive if we provide the right support there.

Q5 Selaine Saxby: Thank you. Sam, we are looking at the time of furlough coming to an end. Torsten touched on the uncertainty and things changing more as we headed into September. As furlough comes to an end, are any particular groups of young people at risk? I am concerned that the longer people are on furlough, the more the skills they have wane. If they are not using their skills, they are unable to develop. I am interested in any thoughts you have about furlough coming to an end and the support young people need with their skills at that time.

Sam Windett: Yes, the Halloween deadline is looming and there is lots of talk about that. You are right. We have been thinking a lot about the young people on furlough. What contact are they having if it is not with their employers regularly?

There are some potential support needs that have been exacerbated by this crisis and by being on furlough, things like mental health support. We have heard of an increase in anxiety from young people on furlough, who do not know if their jobs will be there at the end. It is great that they are being covered at the moment. We need to think about the impacts while people have been on furlough as well.

Are certain groups going to be hit harder than others? Yes, that will be the case. The young people who are furthest away from the labour market are



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most likely to struggle, if they fall out of work, to get back in. We really need to think about that. The youth jobs gap research that Impetus did last year showed that qualifications is by far the biggest indicator of whether young people will struggle to get into the labour market. But even when we accounted for the same levels of qualifications, young people from disadvantaged backgrounds were still 50% more likely to not get into work. We need to focus and target additional support for some of those groups of young people.

This cannot be blanket. It is not the same across the country. That is something that really came across in our research. It is very different in different places. It is not region by region. That will not cut it either. You cannot just talk about Greater Manchester and West Midlands. It is locality. It is really important. The experience of those young people is local authority by local authority or even smaller than that. As much as young people are not one homogenous group, they are not one homogenous group across the country in areas either. Think about locality.

Of course, young people who have additional responsibilities or perhaps more complex barriers, young carers, those with disabilities and health conditions and those coming out of the care system are definitely where we need to focus additional support.

Joe Fitzsimons: I agree with what Sam has said there. There is always a tendency to focus on getting young people into work immediately in these situations, which is absolutely a priority.

The other area where there is a challenge is for young people who have been out of work or perhaps been on furlough and it may be that getting back into learning is something that those young people need to focus on. Often, they will require additional support to do so if they have been out of learning for some time. It can be a challenge to feel capable of undertaking that type of learning again.

Those would be the two groups. Individuals in retail may need to look at how that is likely to evolve now and moving forward and how they might fit in and what else they might look at doing. It is about getting young people back into work and the additional supports there and about getting young people back into learning. When young people have been on furlough, there is a range of remote training programmes that they can engage with. It is looking at how they can utilise that opportunity to engage further with the learning agenda to upskill and reskill during that time.

Torsten Bell: I do not have a lot to add. If you are asking specifically about who is most at risk in the very near term, I would be focused on the four in 10 leisure and hospitality workers who were still on furlough at the end of July. That number has probably come down significantly but four in 10 is a lot of workers. Those two sectors did not see the same return to work that we saw in the retail sector. We saw 500,000 workers coming back in July when we had the first full month of reopening the retail sector.



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That is where the concentration of job losses will be, particularly after what was announced yesterday, and that is where the young workers are concentrated. That is where our crisis sits. It will not be universal, but those workers will be of a kind that Sam and Joe are talking about. In general, they have lower qualifications, not everybody but the ones who are most likely to lose their jobs and struggle to find new ones. That should be our national priority.

Yes, young people in some ways can adjust more easily to some of these shocks. If we look at who is trying to manage housing costs by moving back in with their parents—lucky parents—then we can see some evidence of that happening among younger workers. It is slightly easier to manage costs if you do not have children and you have options on housing. That is true, but it is not true for all young people.

There is too much flippancy out there at the moment suggesting that we need to get on with tearing the plaster off and that the economy is changing and so we need to find these new jobs, which is completely misunderstanding the nature of the crisis we are in, its temporary nature and its uncertainty. Business investment has not grown in Britain since 2016 with the heightened uncertainty because of Brexit. The idea that now is a time when loads of new business models are suddenly sprouting up to employ loads of young people is absolutely for the birds and is asking us to buck all history during crises and particularly during pandemics.

If these people flow out of work and into youth unemployment, we are signing up to a prolonged period of high unemployment for them. There is way too much thinking that a flexible labour market will deliver this kind of change. It may, but it never has before.

Q6 Selaine Saxby: Finally, nobody has mentioned the role of work coaches in developing skills. My own Jobcentre is doing a huge amount of work to retrain people and get them into health and social care. I am from north Devon where we have a real mismatch between the vacancies, the skills young people have and the work they are going to do. Do you have any thoughts on why that is going on and what else could be done? What else could the Government do to match the vacancies with the people who are looking for work?

Sam Windett: You are right that Jobcentres are ramping up the number of work coaches. We know the DWP is putting a lot of effort into that. On the front line, though, those young people might need additional support now. This Committee has looked before at the Flexible Support Fund. Keep that continuing to increase. That Flexible Support Fund can be used by work coaches to commission small local providers to provide the additional support that young people might need in addition to the skills. It could be motivation, confidence, how they build up their CVs. It is great for work coaches to keep the continuation of relationship with a young person, but use the Flexible Support Fund to get the additional specialisms that young person might need.



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Joe Fitzsimons: Absolutely, there is a lot of value in work coaching for those young people and being aligned with local opportunities, the local understanding of the labour market, what is required, what is available and how best young people can get involved. There is a huge amount of scope there. The Flexible Support Fund is certainly something that can be integrated for young people as well.

Torsten Bell: That all sounds right. I would offer two words of caution about that idea. Job coaches can add a lot of value in keeping people engaged and talking to them during this time.

Why do we struggle to recruit people into social care in Britain? It is not because of anything our work coaches do or do not do right. It is because the pay levels are very low for a very hard job and those pay levels are set by decisions we make about how much we want to spend on adult social care, plus the fact that we have had the national disgrace of allowing the virus to rip through our care homes at the beginning of this crisis, which has put people off wanting to work in them. That is underlying it. I am nervous about saying it is because of a skills mismatch. It is because of our choices about what the social care labour market looks like. Those are not easy choices. There are big trade-offs. The money has to come from somewhere. That is, in the end, from the public purse and that means taxpayers paying for it or the users of those services paying more for it.

We should not pretend that a job coach can solve that problem. That is a decision that politicians like you will need to make and there is no way around that in the end.

Similarly, on young people, we all spend lots of time talking to businesses. Businesses are keen to talk about wanting to help young people and lots of businesses up and down the country are helping numbers of young people. We can see that with people wanting to get involved in the Kickstart scheme. But they say, "The skills gap is there", or they say, "Young people are coming out of school these days without the maths and language skills that they used to have".

In the 1920s people were not coming out of education completely brilliant at maths. Where do people learn how to work? They learn it at work. It is the job of all of us to employ some young people and help them become acclimatised to the world of work in the early parts of their careers. Recessions are so bad for the young because businesses give up doing that for a period of a few years and so people do not get an early socialised work experience.

In the end, the job coaches and DWP staff have done a brilliant job in the first six months of this crisis and they will have to do a brilliant job for the coming years ahead, but we must not forget the big macroeconomics of what is going on. There are big reasons why young people see higher unemployment rates. The skills gap is part of the reason but is an overstated part of the reason.



Q7 Debbie Abrahams: Thank you very much, everyone. I want to unpick in a little more detail which groups of young people will be particularly disadvantaged in this recession following the pandemic. We know from what Sam said that it will be young people from disadvantaged backgrounds. With a disability employment gap of 28% barely shifting in five years and our experience from the last recession, which saw one in two black, Asian and minority ethnic young people unemployed—significantly more than their white counterparts—what can we learn from other interventions such as the youth contract, which failed miserably, unfortunately, to address this? If there is one thing that this pandemic has shown it is the structural inequalities that exist. Whatever interventions we take need to address those as well.

Sam Windett: Those are important points. There had been a focus on some of these groups such as the disability employment gap. We cannot let that unravel because of the new schemes and because of the race to deal with this crisis.

Taking disability as an example, the schemes that are being thought about have to be accessible to the groups of disabled young people or we will be leaving behind a generation next year who will be even further out of work for a significant period of time. I know we will come on to Kickstart, for example, and there is a scheme called Access to Work. But can the decision-making on Access to Work be sped up so that young disabled people can have that Access to Work adjustment for a Kickstart placement? Can we make that six-month work for disabled young people? It is important because, if it does not, you are cutting out a group of young people and you absolutely cannot do that.

Increase careers advice and guidance and give more training to the careers advisers who will be supporting disabled young people. We also want to build in monitoring for all of this and being really clear and publishing the groups of young people who are going on to these schemes and programmes by type of disability. We need to see all of that. It is even better if we see the numbers at the end going in the right direction because we have done the right things at the beginning.

There are quite a few different bits and pieces like disability employment advisers and work coaches. If work coaches are ramping up in number, disability employment advisers also need to ramp up in tandem. There is a lot that we need to think about now.

Joe Fitzsimons: I fully agree with what has been said about supporting disabled young people. It is an important area to focus on. There is always a risk that during these times when innovative and positive initiatives are coming to fruition to assist young people as a full group that we perhaps lose the focus that we have had on improving the situation for individuals from disadvantaged backgrounds, disabled young people and so on. It is important to ensure that we are keeping all of that in sight, monitoring what is happening and also publishing the data where possible to ensure



that we have sight of how it is changing and that it is improving as we go through.

Q8 Debbie Abrahams: Joe, I mentioned before the effect of the last recession on black, Asian and minority ethnic young people and in particular the disproportionate impact on unemployment. Sam has pointed out that that is also the case when there are equivalent qualifications. What is the view of the Institute of Directors about unconscious bias training to ensure that that discrimination does not occur during recruitment?

Joe Fitzsimons: Unconscious bias training is highly important. Our members recognise and talk about that a huge amount. We know from the data that organisations with diverse teams, diverse boards and diversity in all capacities are successful organisations. It is incredibly important that we focus on that now more than ever as we face such challenging times. Unconscious bias training is one of the many ways organisations can ensure they are doing the best job possible in the area.

Torsten Bell: I have two specific things. One is that if we are honest with ourselves, for those of us doing research on the impact of the crisis so far, there has not been enough focus on differences across ethnic groups. That is partly data constrained, as it always is. It takes a long time to get the kind of data we need to do that rigorously.

From the earlier data, it stood out for me that the impact on workers from a Bangladeshi background appears to be particularly large, partly because of the sectors they work in and partly because of degrees of self-employment. We are not able to investigate that because we do not have enough focus on it. All of us should take that away. Insofar as we can see anything, I would be focusing on that. It is making me worried. The numbers are huge and are very different to other groups and so I would be focusing on that.

The second thing is that we need to recognise that disability is a dynamic thing for individuals and the population. That is true in the design of the schemes, going back to what Sam and Joe have talked about how some schemes are able to support people in different phases. It is also true for society as a whole. If you look at the disability employment rate, which has improved, the number of disabled people in employment has gone up significantly over the last decade as we move to record employment. On one level that is a very good thing, but if we look to what is happening in society, we quickly realise that the reason we have more disabled people in employment is because we have many more disabled people. The growth of mental health-related disabilities is so significant that it has driven up that disability employment rate. That is what is going on. It is not that we have become much more successful at employing people with very severe disabilities. It is that the population has changed.

That is important because the data on mental health during this crisis is staggeringly awful, far worse than anything we expected to see. Just as because of the uncertainty in this crisis it is hard for policymakers to make



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policy, the level of uncertainty makes it hard for all of us as humans to live our lives. It is not surprising that that is having very serious implications for people's mental health. It is not just about the policy that worked before or thinking about the world as it existed pre-crisis. The population is being changed by the effect of this crisis and the figures for that on mental health are staggering.

Q9 Sir Desmond Swayne: Kickstart is available to any young person on Universal Credit and any employer. Is that too broad-brush an approach or does that have advantages as against a more focused approach? What are the prospects of this giving rise to high-quality careers as opposed to temporary low-paid jobs?

Sam Windett: Shall I kick us off on Kickstart? Those are great questions. First, is it too untargeted? Secondly, does it work for those who need it?

On Kickstart as a programme, the Youth Employment Group called for something like the Future Jobs Fund to come in because we know that that can be very effective. However, it has to be targeted at the groups who need it. That sounds like a very obvious point, but unless you give the groups of young people who need it that additional support, it is not going to be value for money. We will be looking back in three or four years and asking why we wasted money on young people who could have got into work anyway. There is a very big danger sign there.

But you need it to be open to all sorts of employers—small, large—which the scheme is. It needs to be broader than young people on Universal Credit. As much as I am saying it needs to be targeted, young people on Universal Credit are in the Jobcentre Plus system. We know that not all young people who need the support are in the Jobcentre system. I am not going to steal her statistics because she is on later, but when LJ Rawlings from Youth Employment UK did her survey of young people who were NEET, only 16% had claimed benefits and were in the system. We know a lot of young people sit outside of the Jobcentre and will require this support.

We know the DWP has said that it will be looking at that. We say that is an area that really needs to be extended. Make it for the young people who need it in the system, not just Universal Credit but those on JSA and ESA, too, and for those who sit outside of Jobcentres.

Torsten Bell: To dig specifically into one of these issues, the scheme looks pretty similar to the Future Jobs Fund, to be honest, with a few tweaks, not least the scale of it, which we should come back to. The ambition for 300,000 is a large ambition to deliver.

On the design of it, one of the differences is that rather than just being targeted on those who had been out of work for a considerable period, it is more open. The flexibility about the targeting is left to the Jobcentres and the people who would benefit from it, which is meant to be a proxy for people who struggle to find a job in a normal labour market. How that is



implemented is a bit of a black box. It will vary significantly between Jobcentres and is a big determinant of the success of the scheme.

You do not want the Kickstart jobs to be the first port of call for someone who has a degree, has just lost their job and has walked into a Jobcentre to claim Universal Credit. That would not be a good use of the limited resources you will have in places. You want to target it to some degree on those who will struggle to swiftly move back into work.

That does not mean necessarily that it was totally right for it to be a set number of months unemployed before you qualify last time, but more clarity on how that is meant to work, how Jobcentres are meant to operationalise that and how to avoid giving these jobs to the first people to walk through the door is important, not least because getting to the 300,000 target will be hard. You will be rationing these jobs in some form and the question is your mechanism for doing that. It is well worth thinking through. In the end, when we come to think about the impact of this and what the evaluation of it shows, if we have given this to people who would have gone back into work anyway, we will end up with an unsuccessful scheme.

Q10 Sir Desmond Swayne: Thirty placements is quite a big ask even for medium to larger firms, never mind smaller ones. Are there ways around that?

Torsten Bell: That is definitely a key challenge with the way the scheme is currently set up. Some small businesses may have switched off as soon as they heard that headline. DWP recognises, to be fair, that probably was not the most successful part of the comms to small businesses and is now trying to target small businesses and to provide routes for coming together with other organisations in local areas or within sectors to try to overcome that test.

In reality, if you seriously want to get to 300,000, we will have to be honest about where those jobs are going to come from. The Government talk as if all these jobs are in the private sector. If we got to 300,000 it would only be by very weak additionality tests. A lot of those would probably have been created anyway. We are not going to get to 300,000 with a tough additionality test.

The way around that is that for significant numbers of the jobs—and this applies also to helping to engage with small businesses in a local area—you need local authorities heavily engaged in making the job creation schemes happen by bringing people together where there are things that can be done between small businesses in the area and also by directly creating jobs. That is the biggest design challenge facing Kickstart: how to create anywhere near this number of jobs without accidentally damaging the employment prospects of 26-year-olds in favour of 24-year-olds because you have very weak additionality rules. We definitely need to overcome that without giving up on getting to significant scale.



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Sam Windett: Do you mind if I jump in there on the practicalities? We know that the DWP is creating gateway organisations or intermediaries. Those will be the routes for smaller employers. Torsten is right that smaller employers will be key across the country. We have to look at geography. We cannot have cold spots where there are not employers to offer the jobs and there are young people who want them. We need to look at that.

Does the DWP need to be slightly more interventionist in these gateways? We might have to see. The DWP has said that it is going to be looking to improve this as it goes on. It is not a finite product. It is called Kickstart but hopefully between now and December 2021 this scheme will improve, and we will be able to identify the areas across the sectors that the DWP really needs to work on. We cannot have those cold spots. We want employers to be joining the scheme with good quality placements.

To go back to your first question, it is absolutely about sustainable employment, not about the numbers of work placements. That has to be the end result. If all young people went through Kickstart and all of them ended up back in Jobcentres, it will not have been a success. The measure of success has to be how many end up in sustainable employment at the end. We have to keep our eyes on that.

Q11 **Sir Desmond Swayne:** On that evaluation, what data does the Department for Work and Pensions need to be collecting from the start?

Sam Windett: We bear the scars of the youth obligation data collection. As a Committee, you bear those as well as me. It was very difficult for the DWP to collect the right data because of the Universal Credit system. Young people were not marked on the Universal Credit system as being on these schemes.

It is almost a question that needed to be answered yesterday. To set up Kickstart, we needed the evaluators to be thinking about how many young people are on the scheme, how many are completing, in what geographies, with what characteristics, which groups of young people. We need to see the implementation and how that is going and evaluation from employers and from young people themselves. There is a lot that needs to be built in here. The outcome needs to be how many go on to sustainable employment.

We are not hearing a lot about that at the moment. We know it can be very difficult. There was some work around the youth obligation, and work coaches manually assigned young people to the scheme in the system. That was not seen as official statistics. It was seen as MI, but at least it gave us an idea. Those things need to be put in place now so that we can start tracking this as soon as it starts in November.

Joe Fitzsimons: I agree with all of that. In addition to understanding and evaluating the experience of the young people and measuring the roles they go on to or the apprenticeships they go on to or where they end up at the end of the scheme, it is also looking at how satisfied businesses are



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with the engagement with the scheme and the engagement with young people. That will inevitably have a direct impact on the success of the scheme moving forward and on ensuring that both parties are having a meaningful experience.

We know it is very difficult for businesses to be planning their employment given the uncertainty at the moment, but it is an excellent scheme and we have had a significant amount of interest from our members. Indeed, many SMEs may have been turned off by the original comms around the minimum number of 30, but there is a lot more clarity there and a lot more support being provided. That has been very well received. It is about looking at both sides, at the young person's experience and the business's experience.

Torsten Bell: For a bit of sunny uplands on some of this, the evaluations of schemes like this that were done after the financial crisis had some big disadvantages that are easier to overcome now. We care about the long-run impacts on some of these young people's job prospects and their earnings. Good evaluations are not just based on the admin data that is likely to be collectable inside the DWP. You do not want to keep tracking someone individually by hassling them every year if you can help it, although we may have to do that.

Now we have much better linking of DWP, DfE and HMRC data. That is the kind of data I was mentioning earlier, this real-time information data on people's earnings. We know their National Insurance numbers. If that is being collected and if people are being tagged into the PAYE system before we get going with this, we can track them automatically. If you look at all the evaluation data that is being done on higher education returns for different degrees at the moment, that is all coming out of the LEO data system and that same approach can be taken to monitoring the long-term effects of these schemes.

That would be significantly preferable and much easier to do than trying to replicate what we did last time. We should not just try to do a better job than we did in 2012. We should try to do this, given we now have this admin data available, and that means the DWP, DfE and HMRC making sure they have that set up. It is definitely doable. Computers exist these days. That can be done.

Q12 Steve McCabe: Currently, it is targeted at young people who are in receipt of Universal Credit. Will there be a conditionality element if youngsters do not stay the course? Will they have their benefits cut?

Torsten Bell: They have not set out the exact proposals for how conditionality will work. In practice the DWP is taking a much more relaxed approach to conditionality generally during this crisis. It was totally switched off for the first phase of the crisis and, although it is notionally switched back on now, in practice we are not seeing lots of sanctioning going on for obvious reasons.



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My expectation—although we do not have clarity on how that will be implemented—is that there would not be a sanction unless somebody was flagrantly not engaging, but that would not happen via Jobcentre Plus conditionality because at that point somebody is being paid the minimum wage and working 25 hours a week. In most cases for young people, that means they are not going to be receiving Universal Credit. There may be some exceptions if they have a lot of kids early on in life, but generally they will not be receiving Universal Credit at that point anyway.

That is a good thing for us to clarify, but it is unlikely to be a huge problem in quantitative terms. It would be good for the DWP to tell us that rather than us taking it on trust.

- Q13 **Steve McCabe:** I only ask because this could be quite a long-term programme. It is designed to try to stop young people remaining unemployed. But if we take Sam's point about areas where there are not lots of jobs in the immediate locality, I could see in a place like Birmingham, as the Deputy Director of the Institute for Fiscal Studies says, it will be mostly low-paid temporary work that will offer these placements. If you send a youngster across a city to that kind of employment, it might not have a very positive outcome. How do we ensure we get a bit of quality into these placements and they simply do not become a take-it-or-leave-it option?

Sam Windett: I am happy to jump in on that, Steve. It is a really good question. Torsten is absolutely right and there is very little to add other than that we are taking it on trust that the DWP will be flexible with these, but we would like to see the details.

We also need a balance with the young person staying in contact with their work coach. That will be really important because, otherwise, it just becomes a placement. We need that ongoing support. How is that young person doing? What additional support do they need? We need to look at not just the six months but the end of the six months and how they transition out of that into a long-term job or stay in the placement. There is a lot of questions.

On the quality of placements, we understand that the DWP will be doing due diligence on each job to make sure it is a job, but it is unclear at the moment what quality looks like. It will be great if there are lots of options available for young people that fit with their trajectories, what they want to do and what they feel is useful as well. There are lots of details still to come.

- Q14 **Steve McCabe:** Are any of you familiar with Feeding Britain, which has proposed the bridges to work apprenticeships? This sounds like an idea deliberately to try to ensure that the skill content of any placement is much higher and is designed to improve a person's longer-term work potential. Do we need something like that? Is it sufficient to provide a placement? That would certainly help to achieve the numbers Des referred to earlier, but if we are looking to do something about the long-term employment



possibilities, do we need something more than a placement?

Sam Windett: There are a lot of interesting conversations across the sector about this. With the DWP putting the Kickstart money on the table, what is to stop other groups putting the additional skills and money in? Regions might think about that. Combined authorities might think, "We have Kickstart. How do we make it work for greater Manchester? How do we make it work in Camden? How do we make it work for young people? Do they need additional support? Can we put additional funding and skills in? Can we put in the additional wraparound support that is needed?" Kickstart is a good kickstart for that conversation to happen. Using that money, perhaps, yes, there could be other schemes like the one Feeding Britain has proposed. Others could come together and say, "We will put in a bit extra and create this type of placement instead". It would all fit within the scheme, hopefully, and reach that quality threshold.

Q15 **Steve McCabe:** Torsten said earlier that this is basically the Future Jobs Fund with a few tweaks. Has enough thought been given to the future structure of the jobs market? We are suffering a problem now because of the pandemic but we would have been suffering some changes anyway because of the fourth industrial revolution. Is there any evidence that the DWP is doing enough to anticipate and prepare for the kind of job market that young people will be trying to enter?

Torsten Bell: That is a big question. I agree with everything that Sam has said about what we can try to do for the quality of these job placements. We need to be realistic. Kickstart is not going to solve the big picture macroeconomic problem we are facing with this big surge in youth unemployment. It is a plaster to put on it given this very bad thing is happening and it should not be used as an excuse not to do more to reduce the outflows from employment particularly of young people now. It is really important that we get the policy response right now because, otherwise, we will be dealing with levels of unemployment that are much harder for any scheme like this to help with. Then we will find it much harder to deliver quality because all of the political pressure will be to get the quantity through the door. That is the first thing.

Secondly, this is part of a policy mix. We have to help as many young people as possible also to ride out this bad time by staying in education for longer than they might otherwise have done. The silver lining to the whole algorithms debacle over August is that we will now be sending more people to university this year than we expected. Whatever your views about the long-term level of university attendance in Britain, that is definitely a good thing. We got there via a bad process and for bad reasons, but it is a good thing. The evidence on the marginal returns from a year spent in education during a recession versus being in the labour market is pretty strong.

Overall, the triple-track approach of helping young people to ride out the downturn in education, keeping as many of them as possible in jobs and then, for those who are unlucky enough to be unemployed during this crisis, helping lots of them find other jobs and, for those who find it



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particularly difficult, providing high-quality jobs and training opportunities via the likes of the Kickstart scheme is the right thing to be doing.

But the last bit is the fallback for when everything else has gone wrong. Do not think that that will solve for the long term how our young people are fit for the world of work and the future trends in the economy. That is way too much pressure to put on a youth jobs provision exercise during a crisis.

Overall, for young people the last 10 years have been good in employment terms. Young people over the last 10 years have not been living with the high rates of unemployment we saw in the 1980s and 1990s that their predecessor generations had to live through. That is a significant improvement and we should not underestimate that. That is particularly true for minority groups and in some of our big cities. I do not mean just London but Liverpool, bits of South Yorkshire and some high-unemployment areas have done particularly well for young people in the last decade. We should recognise that.

But if we want to sort ourselves out for the future, we have to decide what is most important. What is the biggest problem facing young people in Britain? It is that we have a disastrous school-to-work transition for people who do not go to university. We have known that for decades. Everyone should stop writing books about how robots are going to take all the jobs and how technology is taking off like it has never done before and instead get on with the bread and butter of sorting out our disgrace of a technical education system. I can say to a kid doing GCSEs, A-levels or a degree what the next 10 years of their life looks like. Try telling that to a 14 year-old today who is trying to work out what the mess of our vocational system can offer them by way of clear routes into good jobs. The person doing a degree will have to realise that an office job does not bring all the jobs they might want it to bring, but at least they can see where that job route is going to take them.

We have spent time talking about loads of other stuff and not getting on with sorting out the thing we know we have needed to sort out for years, which is very hard, takes ecosystem change and political leadership from the top and more money. That will make our young people fit for whatever technological, social and other changes will be thrown at us over the next 50 years. That should be our top priority. I would worry a lot more about that rather than about whether we are training enough AI engineers right now. We know we are getting this wrong and have been getting it wrong for decades.

Q16 Chris Stephens: Sam, my questions are directed at you. Welcome back to the Committee. I have two questions. First, what are the risks to the provision of services for young people with the European Social Fund programme coming to an end? Beside that, what impact has the pandemic had on implementing and designing the UK's Shared Prosperity Fund?



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Sam Windett: Thanks, Chris. Those are really good questions, especially with what we have been talking about this morning, which is about the young people who need to benefit from support. The European Social Fund is currently doing that. In England alone £500 million a year is spent on employment support and skills training for the young people outside the system.

Since we have started talking about the Shared Prosperity Fund back in December 2017, we have had six Secretaries of State and Ministers in charge of it. We have not got any further. There is no consultation. We know the quantum of funding, which is meant to stay the same. It is being announced in the spending review coming up. The Shared Prosperity Fund is meant to start in April 2021. Between the spending review and April 2021, we have to have a clear idea of how these projects that help some of the young people who need the support into the labour market are going to work. That is no time at all.

We need a roadmap urgently. First, we need to know how much the European Social Fund is still in the system and at risk of being sent back to Europe, because that would be scandalous now. Secondly, we need to know how those projects will keep functioning. Where is the funding coming from? What does the Shared Prosperity Fund look like?

At the moment, the Government are not just in danger of dropping the ball on this. They are in danger of dropping the ball, turning around, kicking their own goalposts down and injuring themselves for the next three seasons. It is really serious stuff here. We have to get that Shared Prosperity Fund right and we have to understand how it will work.

Q17 Chris Stephens: Thanks, Sam. You have just described Partick Thistle for the last couple of seasons, unfortunately.

Sam, you said that there was no consultation. I am a bit concerned about that. In my understanding, there were engagement events. Was your organisation involved? Should there be a more formal consultation in relation to the UK Shared Prosperity Fund?

Sam Windett: If we dust off the spreadsheets from about two years ago, yes, there were some engagement events that we eventually found out about and involved lots of universities but were not complete. Even the frontline providers who were delivering ESF were not all invited to those.

This has to be open and transparent. It is a huge amount of money and it is a hugely important scheme that we are talking about at a point in time that the labour market and young people need it the most. There has to be some kind of clarity on how this will work.

Q18 Chris Stephens: Thanks. The issue and concern would be that the UK Shared Prosperity Fund would essentially be an economic recovery fund, whereas it is replacing a fund for social purposes. Does that concern your organisation at all?



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Sam Windett: It is a concern if it only goes one way. The Shared Prosperity Fund will combine the ERDF and the ESF. In an ideal world with enough time, this could be made to join up and work really well, better than ever before. That is what we have always been saying with this wonderfully hopeful hat on. This could be even better than ESF ever was before. We can make it join up with local productivity goals and local employers much more effectively and with much less bureaucracy, but we do not have the time ahead of us to look at that in the detail needed. Is there going to be some roll-on funding to allow us to design this great Shared Prosperity Fund and in the meantime keep alive the projects that are delivering what is needed?

We cannot put the money into an existing government pot because that is absolutely against what the European Social Fund does. It goes outside the system. It reaches those who do not sit easily in any Government Department. We have to not reach for easy solutions, but we need some kind of surety that the funding is not going to run out in between.

Chris Stephens: Thanks, Sam. Apologies to the other panellists. If they have thoughts on that, I am sure we would be delighted to hear from them later.

Chair: Thank you. Let me just check whether Joe or Torsten wants to add anything before we conclude this panel. No? Okay. I thank all three of you very much for the helpful answers you have given us this morning.

Examination of witnesses

Witnesses: Ashley McCaul, Ben Marson and Laura-Jane Rawlings.

Q19 **Chair:** We will move on to the second panel, who have been with us throughout the first hour. Thank you for doing that. I am going to ask each of you to briefly introduce yourselves as we did at the start of the first panel, beginning with Ashley.

Ashley McCaul: Good morning. My name is Ashley McCaul. I am the CEO of Think Forward, a national employability charity. We run two coaching programmes for young people. One is in mainstream schools for ages 13 to 18. The second is the Move Forward coaching programme for young people who have special educational needs. It has a slightly wider age range of 15 to 24 years. Effectively, we are working with them to transition from education into employment.

Laura-Jane Rawlings: Good morning, everybody. I am Laura-Jane Rawlings, Chief Executive and Founder of Youth Employment UK, which is a not for profit social enterprise set up in the wake of the last youth employment crisis. One of the unique things about us is that we are a youth-led organisation. All of our work and the things that I will talk to you



about today are from the views and experiences that come directly from young people within our network. We support over 100,000 young people a month with free skills and careers information. We support employers and also, we are part of the Youth Employment Group with Sam Windett and colleagues there.

Ben Marson: Good morning. I am Ben Marson. I am the Director of Partnerships at The Prince's Trust. I look after all of our relationships, particularly with UK businesses and employers. We are a large UK youth charity. We help about 70,000 young people to get into work, education and training that will change their lives. Tackling social mobility is at the core of what we do. We help young people between the ages of 11 and 30, for clarity.

Q20 **Chair:** Thank you very much indeed. I have an opening question to put to all of you. What key changes in the world of work are we going to see over the next five to 10 years? What will those changes mean specifically for young people? Ashley, can you give us some thoughts on that?

Ashley McCaul: Sure. We talked quite a bit in the first panel about the digitising of the workforce and automation. The green economy is predicted to be growing. It is interesting when you look at the skills trajectories over the next 10 years and what was predicted to happen. There were also some predictions about what might interrupt that and nowhere was a pandemic mentioned, which was interesting. The pandemic has potentially interrupted some of those sectors and has accelerated others. For example, we are going to see a move towards a digitised workforce more quickly.

Also, there is quite an assumption around whether young people will benefit from that. The evidence that I have seen so far from the young people that we work with is that they are going to miss out quite badly on that acceleration because the current education system does not necessarily prepare them to exist in a digitised world. Also, we have young people who are having difficulty accessing IT and infrastructure depending on their living situation.

We have played quite a big role over the pandemic to try to make sure we address some of those issues. Living in a digital world and a digital space is incredibly isolating and is potentially going to impact on younger people in the longer term. Then we have the immediacy of young people being potentially furloughed and then later hitting the unemployment figures. That will delay their development and deskill them by the time we see some of these new sectors come on board.

Laura-Jane Rawlings: I will talk you through the experiences that young people are having. We know from them that careers education is really patchy. The world of work is going to change rapidly, as Ashley and other panellists have spoken about, but young people are telling us at volume that they do not know what those careers look like and they do not know what is going to exist and how that world of work is changing. We have the



continuous concern from our young people that they are not inspired by where those jobs will be.

As we heard from the panel earlier, we are talking about changes to the way we shop and how we behave as consumers. Young people are not being connected to where the growth in those careers and changes in those industries will be. The world of work is changing rapidly. Young people have a real role to play in that but have the huge risk of missing out because they are not being brought into these conversations to understand what those opportunities look like.

Ben Marson: I would echo a lot of what has been said there, but when we listen to employers talk about their skills needs, there is a lot of talk of digitisation coupled with the move to a net-zero economy. Surrounding all of it is real uncertainty for employers themselves looking at the pace of change, how fast this transition could go and what the jobs of the future look like. There are some good surveys out there that talk about that. It is very hard for young people to contemplate what the skills needs are as well. That feels like a feature. It is rapidly changing.

One of the things that employers will talk about and that you will see in the increasingly digital skillset is the need for skills like adaptability, creativity and problem solving, which give the need for a practical focus on preparing young people for the world of work and translating their skills into real-world applications. That seems to be a feature of preparing young people for the world of work and in some respects setting their expectations and getting them to be even more resilient for the labour market. They are going to have to fight hard and be their own brand. That is certainly something we see at The Prince's Trust.

I would call out a lot of credit for sectors like retail. We talked about the impact on retail, leisure and hospitality. They have been big employers of young people. It is a worry that we see a transition away from the traditional entry-level areas being threatened and overall a higher skills transition. If the entry point into the world of work goes up, which is a trend we are seeing, it is much harder because the gap is wider to prepare young people to enter the labour market.

Overall, in the next five to 10 years, it does look more challenging and tougher for young people. It is on all of us in all aspects to address that challenge and work out how we prepare young people better.

Laura-Jane Rawlings: If I could come back to that, we should be talking more about the self-employment role that young people might consider, too. As the changes happen here, we are already seeing innovators coming up with new business ideas and creating their own jobs for themselves in light of the pandemic and responding creatively to some of those challenges. There is also a need for us to be talking to young people about self-employment and ensuring that they can make progress there.

Q21 **Chris Stephens:** I have a quick question to the panellists about what



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changes they have had to make to the services they are providing to young people as a result of the pandemic. Is there anything that has worked particularly well? Ashley, let me start with you.

Ashley McCaul: We deliver a face-to-face coaching service in schools and, as you can imagine, we have not been able to do that. We took a decision really early on not to furlough staff and not to shut down our services, which was one of the options on the table. We decided to shift our activities. Usually we work with young people face to face, as I said, and we also work with them on preparing for the world of work, and so is a lot of activities that we do with employers. We have had to shift away from that and move to a more digital offer. That is still developing.

Another facet of our programme is working with the family, with parents. We have ramped that up because we have found that in this situation, families are struggling. They are struggling to navigate the various new things they need to do, including helping their young people navigate schoolwork. We have moved to a much more practical way of working with our young people. We have also trained our coaching staff to deliver coaching over the telephone. That is a very good way of being flexible, being able to get hold of our young people regularly. We are also extending the capacity of schools by safeguarding our young people. We have a lot of very vulnerable young people who are living in quite difficult circumstances, so we are tracking young people, making regular contact with them, dialling down the work readiness stuff in the first instance, and dialling up helping to support families.

Some of our young people, as I mentioned in the beginning, do not have access to technology. We have been supporting them with applying for hardship grants and working with other community organisations and also some of our corporates, who have donated laptops and technology to help our young people access schoolwork. In some cases, we have been printing out work packs and taking them round, delivering them to young people, in a socially distanced manner. What we are doing now is very, very different from what we would have done previously. As lockdown has gone on, as we get more competent digitally ourselves, we have been able to dial up our digital offer. We have had some amazing support from corporates. In some cases, some of their staff have been furloughed and they have done inspirational videos about their own employment journey. We have had them checking CVs and doing some digital stuff with them, effectively preparing young people for the world of work.

We had a graduating group last summer and a graduating group this summer and we decided to carry on working with those young people because we are so concerned about their prospects and the difficulty they will have in trying to navigate into the world of work, given the things that we have already talked about.

Our work has changed. I would like to say it has been hugely successful. Nothing replaces face-to-face coaching for our young people—that is the primary and most impactful service that we deliver—but we have been



really pleased with the way in which our young people have responded. We have also surveyed them. LJ surveyed her young people as well and she will talk more about that. What they are talking about is how that coaching relationship has been incredibly important to help them, and their families in some instances, navigate through some of the difficulties that they face.

Another area where we have done quite a lot of work with families is accessing free school meals and all the other things that they have had to work through during this time. Again, lack of access to technology has featured in that as a barrier to those young people.

The service has changed. We don't know how long for. We hope that it will continue to be successful, as it has been so far.

Q22 Chris Stephens: Laura-Jane, is there anything that your organisation is doing that you think is actually working in the pandemic?

Laura-Jane Rawlings: Gosh. How long have you got, Chris? We were always an additional service. We see our role as helping young people to access good careers information online and connect to youth-friendly employers, so that is different to us. We let the experts do the face to face and we provide the wraparound additional support.

What we had to do, though, over this period is create more content for young people to understand the pandemic, understand what furlough means, because we are not translating anything that is coming out of Government into a language that young people can access and understand what it means for them. We had to increase our content support for young people, how to work from home, how to manage yourself working from home. They are skills that many adults have not had to learn thus far in their careers, never mind young people, so we have provided a plethora of additional information around coronavirus and the impacts of working from home or looking for work.

Another response that we had to step forward with was supporting young people who would have been receiving their GCSE or A-level results or graduating this year. During the several U-turns we had a lot of young people confused and left uncertain, so we were providing online advice and specialist support to them, including running webinars for them and webinars with colleagues from DWP. That has been really effective. DWP have been able to bring groups of young people together online to meet with employers and also specialist organisations like ours that focus on employability skills and career management. Young people have found those sessions very effective.

We are the founding organisation of the Youth Employment Group, so another thing that we had to do was ensure a good and qualified policy response to support DWP, DfE and other Government Departments in their own responses to the coronavirus pandemic.

Q23 Chris Stephens: Thank you, Laura-Jane. Ben, I know The Prince's Trust



has a coronavirus support hub for unemployed young people—very impressive. Is there any more assistance that you believe The Prince's Trust could receive from the Department for Work and Pensions or the local Jobcentres?

Ben Marson: As you mentioned, The Prince's Trust did put in place a coronavirus support approach. We had to digitise, as you would expect, and a lot of our services, including face-to-face, have been happening online so we have faced a lot of similar challenges—digital exclusion and adapting to that. There were some benefits. I would see it as equally an opportunity and a challenge. We found we could reach young people in remote areas in a way that was easier for them than travelling for face-to-face, so we found some strengths in the digital approach.

On DWP specifically, in general we have worked together actively. We are also co-chair of the Youth Employment Group and have worked alongside lots of other organisations that work in partnership with DWP to understand what the best response is. Simple things, on a practical level, like linking between DWP services, such as the jobhelp website, our coronavirus support hub, ease of referral routes, make a big difference at times like this for young people to navigate.

Working locally in partnership with Jobcentre Plus work coaches and the staff there—I echo points that have been made earlier about the importance of the Jobcentre working in partnership with agencies and organisations like ours and others that have specific abilities to support young people, and ecosystems particularly to employers and other support that can support them. The overall message would be to continue to engage in active dialogue with the Youth Employment Group and other organisations.

Probably, as was mentioned in answers about Kickstart, keep all these things under review. We are looking at a quite big live response to a pandemic that is a crisis, and DWP having a support network of people to give advice and get opinions from is important. I hope that answers your question.

Q24 **Chris Stephens:** It does, Ben, but I am also thinking about whether, in the work of the trust and encouraging DWP and the Jobcentres, you have had to modify things, with schools reopening, and thinking about colleges coming back as well.

Ben Marson: We have definitely had to modify things. A lot of our partners are FE colleges and schools, so we have effectively had to adapt as they have adapted and work together on what our approach is. At times like this, there is a threat to the normal ecosystem, particularly where you rely on relationships between individuals, say in communities that work either at the Jobcentre or in an organisation like ours. We are in the process of refreshing our partnership agreement with the Jobcentre network across the UK so there is clear guidance about how to work with The Prince's Trust.



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For a large UK organisation like ours, if everything is much more localised, sometimes you have to do everything multiple times to get to the same result. A message we give to DWP, which it is receptive to, is that where you have an organisation as big as The Prince's Trust that has reach across the UK, let's keep making sure that we understand the role The Prince's Trust can play and build it into the system. We are having those kinds of conversations in Kickstart as well. Given that we help 70,000 young people a year, and we have direct access, and can persuade employers to open up roles and take part in the Kickstart scheme, utilise The Prince's Trust rather than try to reinvent it. It comes back to partnership working.

Q25 Chris Stephens: Thank you, Ben. The Prince's Trust is doing some fantastic work in Glasgow, which has always benefited constituents in Glasgow South West.

I will ask Laura-Jane this next question first. What keeps coming back from previous inquiries the Committee has done on youth unemployment is that young people do not find visiting the Jobcentre appealing in any way whatsoever. Is that still the case from what you are picking up? In addition, just thinking about that, and thinking about the pandemic, has that caused your organisation to review the use of physical offices? Is it something that Jobcentre Plus and DWP could take lessons from?

Laura-Jane Rawlings: I am glad you asked the question, Chris. I have data here, ready.

Chris Stephens: Send it to the Committee, Laura-Jane.

Laura-Jane Rawlings: I will. This is a piece of work that Youth Employment UK does annually, the youth voice census, which is a large survey that goes out to 14 to 24 year-olds. It has over 100 questions, trying to understand their experiences as they transition between education and employment. We ask about their careers education, their experiences with Jobcentre, if they have become NEET, and so on. What Sam quoted earlier about only 16% of young people who were NEET using the Jobcentre comes from the youth voice census. In that census we ask young people what the barriers are for them and today we have some of our young people tuned in here and very keen to see this Committee inquiry, asking these big questions.

Young people largely tell us that they don't think the Jobcentre is for them. It is an intimidating place to enter. I have required the services of the Jobcentre myself in the past and, as an adult, found the same thing. There is stigma about the Jobcentre and there is also that sense of intimidation. Young people do not know how good the Jobcentre and the work coaches can be. I believe that Jobcentres are offering a great service—sector-based work academies, traineeships, access to local employers who are doing good things at a local level—and that inside intelligence should be something that young people understand is available to them but they just don't. As young people transition through education, they are not being told about the services that are available to them should they need them.



There is complete misinformation about what is there, and I think that is something that we should all be looking to tackle because if you need that service, you should be able to access it in its full glory.

In partnership with DWP, we have created some useful content on the website about entitlement and what is available to youth through Jobcentres and we are sharing that at scale with young people right now, so they will engage with things and access programmes like Kickstart.

Q26 Chris Stephens: How do we reduce the stigma, Laura-Jane?

Laura-Jane Rawlings: I think the commitment DWP is making to create youth hubs—co-locating them with, for instance, The Prince’s Trust, bringing Jobcentre coaches out of the Jobcentre service—will go a long way to engage with young people in communities. We have to follow up that investment by making sure that young people understand that service is there for them and where and how to access it. They will not all know that information.

Q27 Chris Stephens: What about youth centres and community centres? Should we be encouraging them to use those as well?

Laura-Jane Rawlings: Absolutely, and this is what the youth hubs are looking at. They are looking at co-locating in spaces that are predominantly youth-organisation spaces. They will put a work coach in a Prince’s Trust office in Birmingham permanently so that young people coming into that service will not necessarily know whether they are talking to someone at The Prince’s Trust, someone from housing or health, or indeed a work coach who is there to help them access employment opportunities. That is the way forward, but it will be important for those youth hubs that there is quality and consistency, that there is evidence about what works and that is being rolled out. You cannot just make these things happen and you certainly cannot make them happen without strong investment, and there is concern about whether or not the investment will follow the ambition for those youth hubs.

Q28 Chris Stephens: Thank you, Laura-Jane. Ashley, is there anything you would want to add about what the Department can do in reaching out and dealing with youth unemployment?

Ashley McCaul: First I would say that we are asking an awful lot of them and I have a worry about that. As Laura-Jane said, DWP needs to understand what the ecosystem looks like in each of the areas that they are delivering, understand who the voluntary sector organisations are, where young people gather, where are the young people who they are not interacting with and are not on their radar, and do some partnership work at a strategic level in each of the localities they are present in. Organisations like mine are working with quite vulnerable young people and we have a long-term relationship with them. Our young people are much more likely to go to their coach for information, advice and guidance and they would also say—and this echoes some of the outcomes of LJ’s survey and surveys that we have done—that it is the only place they have



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ever received any proper careers guidance and guidance to navigate what a benefit system might look like.

There are some young people who, when it comes to DWP or any system that puts them on the radar—and there is a stigma around unemployment—will probably navigate around it rather than go through it, and the benefit of engaging with that system is something that we need to support young people to understand.

All these initiatives are great and are welcomed, but they are also complex. It is complex for young people to understand what the onboarding point is and what it leads to. We all have a responsibility to work with them, to help them understand the initiatives and how they can support them and what their long-term aims might be, and how to engage with them. We have a collective responsibility but there is something about understanding the ecosystem in each of the areas that you deliver in.

Chris Stephens: Thank you. I am very grateful to the three of you for some excellent answers there. You have given the Committee some food for thought and I am sure the rest of the Committee is very grateful for the work you are doing.

Q29 Selaine Saxby: The Kickstart scheme is open to all young people who are on Universal Credit and all employers. Do you have any thoughts about how the scheme, and maybe work coaches in particular, can ensure there is a good match between young people and employers?

Laura-Jane Rawlings: A really important part of getting this right is to make that match happen and to ensure a quality placement and that the young person is getting proper support through the programme. It comes down to the work coaches having the right amount of time to get to know the individuals. Something we hear too often is that there is just not enough time within the system to ensure a personalised understanding of their needs and challenges. Taking a holistic view of an individual will be really important.

For me, it is about providing work coaches with the right training support. We will have to recruit them at volume to meet the demands. That also means that there is a risk of not providing the right training or the time for those work coaches to make an individual personalised match and provide support, but it is the only way that you will see these placements working for the young people.

Ben Marson: I agree with Laura-Jane. You have to train work coaches. It is quite challenging. I look at the broad range of roles that will be available, everything from a small or medium enterprise to a big national employer, and you have to make sure that you have decoded and worked with the employer as well to understand the specific attributes and requirements of the particular role. Packing that up correctly is important. A lot of what we end up doing is challenging the employer, in the nicest possible way, to remove any unnecessary barriers to entry that they may think are



requirements of the role but do not have to be so that you can be as open and inclusive as possible about the kind of young person that could do this job.

It is obvious that I would say this, but I think it is true. Partnering with organisation like ours, and many others, whether you call it a gateway organisation or an intermediary, can be helpful. For example, we have 180 big corporate partners, big UK employers, some in the tech sector, digital, financial services and retail. We have worked with them for many years, placing young people into their businesses and there is knowledge there. We can certainly help support work coaches about how to make those kinds of referrals and support the employer, so we bring the two sides of the equation together, which is part of ensuring a successful match.

Q30 Neil Coyle: My point links directly to that last point about work coaches. In Bermondsey and Old Southwark, for example, youth unemployment has tripled since the start of this year and the October deadline is a huge threat to more young people experiencing unemployment. Does the panel think that work coaches are ready for the scale we could be about to see? Do you think they are trained and do you think they are capable of handling the volume of young people and employers they are likely to see and the range of employers and intermediaries they are likely to need to work with?

Ashley McCaul: It is extremely variable. Work coaches are not a homogenous group; they have variable levels of skills, training and expertise in what is expected of them. The volume will be huge and potentially unmanageable. There is also potential for a drop in quality in the work being carried out and that is not necessarily the fault of coaches. It is really about trying to get through the numbers.

This point is related to the earlier point about allowing work coaches time to understand the needs of the young person and how they can best match them with the opportunities available and that takes time. It doesn't take a 10-minute interview in a long day of interviews with one young person after another.

I have to mention young people with special educational needs who might need something much more bespoke. I also need to comment on the number of initiatives available. We cannot just look at Kickstart in a vacuum. There are also apprenticeships, traineeships, supported internships, and so on. For a work coach to be able to navigate—I use the word “navigate” a lot because that is essentially what we are talking about—and diagnose the young person through that takes time. I am not sure that with huge volumes, the work coaches, with the best will in the world, are going to be able to do a high quality job, consistently and all the time.

Q31 Shaun Bailey: We have picked up a lot on engagement partnerships and I want to explore how Jobcentre Plus engages with employers around these schemes and whether you feel they do it adequately. I picked up on the



need for really good local labour market intelligence. Do you all feel that JCPs do that well? In my own constituency, where we had a higher than average level of unemployment before the crisis, we are anticipating a massive impact as a result, but one of the things we often get back from employers is that they do not necessarily have that feed-in from JCPs. Can we work around the panel to find out what your views are about that?

Laura-Jane Rawlings: We are supporting DWP to think through some of those things. Today we launched a booklet on Kickstart for employers—what do young people want from a programme, what a programme looks like. Unfortunately, that kind of supportive guidance does not always follow as quickly as perhaps it could do and needs to do because of the rate at which DWP are having to respond to this crisis. We have worked with our youth ambassadors and network on what good work placements look like to create that support for employers.

We are also home to the Youth Friendly Employer Badge for organisations that want to support young people and need help to understand what that looks like, what good practice looks like. Employers can apply for that badge free of charge and get free online support. Youth Employment Group recommended that we have to look at a national campaign to embed good youth employment practice around the country and we are leading on that through the Youth Friendly Employer Badge.

This cannot all sit with DWP. I feel that this is a localised collective effort. Where are the mayors, the local authorities, the local education partnerships, the Department for Business? We have a gigantic need now for businesses to come on board and create amazing quality opportunities for young people and it will take more than one Department to lead on that.

Some of the youth-friendly employers in our network are very excited by Kickstart. Coca-Cola cannot wait to look at the Kickstart opportunity. It is going to be using the funds very creatively to offer driving lessons on mopeds to overcome barriers to travel for those young people joining them on placement. There is some innovative thinking but, as Ashley has said, there is going to be a mismatch in volume and support simply because of where we are today.

Ashley McCaul: I come from the learning and skills sector. Before I took on the job at Think Forward, I ran a training provider—apprenticeships, traineeships and study programmes. There are now multiple organisations and agencies at all levels looking at LMI around the country for different reasons, through different lenses, for different purposes, and I am concerned about the lack of co-ordination. Those are big jobs and I think we are asking a lot of DWP to lead the charge on it. There has to be something going back to neighbourhood, locality and region so we can streamline some of this stuff. These are unprecedented times. Maybe this is the time to get co-ordination of such things right as a priority, to make every single penny we are spending during this time be the most impactful that it can be, certainly for youth unemployment.



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Ben Marson: I echo the point that Ashley has just made. It is an easy thing to say and hard to do I know, but I think some of the engagement can be relatively informal from lots of different networks. But given the scale of the challenge of youth unemployment that, as we have heard earlier, is likely to last a number of years, I wonder if there is an opportunity to review that informality and put in place some more formal ways to keep a live view of things like the labour market analysis, regional disparities and also the view from employers and youth agencies. A lot goes into the mix. Jobcentre work coaches have our greatest sympathy in view of the scale of the challenge. Some of the things being done are really good. We mentioned the youth hubs, putting yourself in places where you work alongside other organisations where young people are. This all helps, but it is going to be a challenge and so the co-ordination piece is probably something that should be taken seriously.

Q32 **Shaun Bailey:** We have seen a lot of emphasis on ensuring that young people have digital skills. I am very concerned about the digital divide, the digital gap. In my constituency that has been so much at the forefront during this pandemic, where people do not have access to computers. There is a wide assumption that everyone under the age of 25 has consistent access to IT. I know we have touched on this in different parts of the session today, but maybe now, across the panel, without trying to find a magic silver bullet, from your perspective, how do we handle this gap? It sounds as if you have all done some fantastic work within your own organisations but what can we do more widely? It is clearly an issue that will have an impact for years to come, particularly in the lower socioeconomic groups.

Laura-Jane Rawlings: Silver bullets: if only we had a few up our sleeves. I am leading a project in Greater Manchester, the young person's guarantee that was set out by the mayor. One element of it is about connectivity, young people feeding back into the combined authority that digital access is a barrier for them, and it is the same right across the country. There is some creative behaviour happening at local levels and with national organisations. We see businesses with redundant IT equipment being able to share it. We see communication organisations offering free hubs and wi-fi support. The biggest challenge is scale and making sure that we reach some of the hardest and furthest to reach communities, which is why we need the silver bullet. It is the biggest challenge when we talk about youth unemployment and when we talk about social mobility. Disadvantage gaps, reaching those people who need it the most, is the hardest. It requires face-to-face and support in physical locations that young people can recognise and trust so that they will go in and ask for the help that is there and can be made available at a local level.

Q33 **Neil Coyle:** I understand that the Kickstart scheme will require some level of intermediary support for many employers. Are all of your organisations undertaking that role, or looking to? This links to the point that Laura-Jane just made. Would you welcome local authorities having a role in that co-ordination of support, being an intermediary for the Kickstart programme?



Laura-Jane Rawlings: We are not putting our hat in the ring to be an intermediary, but we are creating free support for employers and young people as a wraparound. We are a free-to-access service for young people and employers. We will not put our hat in the ring.

The money, and the focus of intermediaries, needs to be with face-to-face services or services with extensive expertise in supporting young people with mentoring, particularly those young people from disadvantaged backgrounds or with additional needs. There has to be a focus on where the money goes. I would hate to see some large organisations making hay out of the Kickstart surplus because they are not providing that intensive wraparound support. Local authorities are places I would trust to co-ordinate local offers and, as Ashley said, they can also identify budgets they might have that can be used to create a full and comprehensive pathway for young people. I would really encourage that localised behaviour to be local authorities.

Q34 **Chair:** Ashley, do you want to comment on either of those two points that Shaun and Neil have raised?

Ashley McCaul: Can I go back to Shaun's point? Apologies, Neil. I want to go back to the digital divide piece. We have spoken about the divide in young people being able to access IT, technology, infrastructure, and so on. It is worth noting that I am not sure that school and curriculum prepares young people for operating in a digital world, although I have to say the schools that we work with have made real inroads in trying to up the game for young people accessing their work digitally through teams and so on, during lockdown. They have made some huge gains during that time.

There is another piece around operating in the digital world and the etiquette of existing online, the safety of it, and behaviours. But also, not everyone has a really nice spare bedroom or a spare space to be able to do anything in the digital world, let alone being introduced into a new job or communicating online. It is slightly broader than just the digital piece. It is living in a digital world when you are completely ill-prepared, and nothing to date has presented an opportunity for them to develop those skills. I think schools should be challenged very quickly with how they are preparing young people for the new world that they are going to work in.

The other thing is that existing in the digital world is, of course, robbing young people from the very experience of going to a workplace, the socialisation involved in that, forming relationships, and so on. It is worth thinking about all the other things that surround that whole digital piece.

In reply to Neil's question, I absolutely would trust local authorities with that role. We are not throwing our hat into the ring. We think there is enough interest and enough expertise for other organisations to do it. But I think we have a responsibility because we work with young people, employers and corporate. We have a responsibility to make sure that in our sphere of influence everyone understands those schemes and



understands how they can engage with them and what that looks like for them. Again, using the “navigation” word, we are able to navigate our partners through that to access.

Ben Marson: In response to those two questions, I would echo a lot of the points on digital exclusion. We have had to adapt a lot of our programmes and interventions to focus on things like digital mindset, which is also just an awareness of the range of digital opportunities there are and how you think about the digital future as a young person, and skills as well. Etiquette is an issue. It is interesting, young people are often very used to communicating on digital internet platforms but that is not the same as the enterprise solution tech platforms, or the ones you would use at work and the kind of communication you would use and the appropriateness of that. That can easily mean that you do not get a chance at a job interview because you do not know how to get that right. There is that etiquette area.

Then there are the specific financial and mini-infrastructure barriers in people’s homes, that have been mentioned, around bandwidth and you cannot even get across your message or get access to it. There are some grants through JCP, and places like that that address this. It may well be that, given the changes and the likely acceleration, a specific package could be looked at to tackle digital exclusion. I imagine it is hard to make decisions about where you intervene, certainly from a Jobcentre perspective, where someone might be in particular need. The reality is that if you cannot interface with employers who increasingly might be centralising and digitalising their recruitment processes, it will be very hard to get access. It should be an opportunity for young people.

The second thing is that we are throwing our hat in the ring for Kickstart to be an intermediary, with the exception that we are in final negotiations about if you are an intermediary the payment of wages flows through you. For us as a charity that might mean—let us say we did 5,000 Kickstart placements—£25 million flowing through The Prince’s Trust and then through a lot of employers, which means we are literally looking at the admin and payment processing. That is something we would not normally do. With the exception of that, we will either support major employers to give really decent, quality wraparound support, we will work in partnership with local authorities to support groups of SMEs in their locality, and hopefully we can play a large intermediary role. That is certainly the discussions that we are having with DWP, with the exception of some fine-tuning of the admin.

- Q35 **Steve McCabe:** I want to return to the question that I put to the previous panel about whether we are doing enough to prepare young people for the reality of the future job market and the prospect of sustainable jobs. I note that the National Careers Service has been expanded, and I heard what Laura-Jane said earlier about lots of good services at Jobcentres, but young people do not know about them. In fact, I think the National Careers Service is not available to people under 18. Do you think, as the Shaw



Trust has argued, that we need to have a better model for people at a much younger age, say from 14 upwards, and maybe people with special needs in particular within that group? Is there a model that you would advocate that would better prepare young people for the jobs of the future?

Ashley McCaul: I will keep it very short; LJ has lots to say on this. We definitely have an issue with careers guidance being delivered at variable quality and too late. I am trying to be careful about criticising the schools, because they have a lot to cope with, especially at the moment. I think that monitoring LMI, monitoring labour markets, monitoring the economy, monitoring changes in sectors, sectors that are reducing, are quite sophisticated pieces of work on top of educating young people and focusing on attainment before they leave school. There is definitely something that we need to do around the schools piece and the careers guidance piece at a much younger age. That needs to be really specialist and really dynamic in a way that it currently is not.

Then, of course, there is the thorny issue of work experience and what work experience will look like in the future if it cannot be physical work experience because of the virus. The eight Gatsby measures go some way towards making sure that young people have what is called work exposures. I am not sure that that is enough, but my focus would be around not being young enough, no focus on careers at a young enough age, and the quality of what is happening. I would potentially look at what a high quality careers framework would look like and then look at the skills, expertise and specialisms of the people who are delivering that careers guidance. They should be properly trained and hooked into a more dynamic, high quality framework that insists upon them being professionally developed to be able to understand the labour markets in a way that will influence really high quality guidance given to young people.

Laura-Jane Rawlings: The youth voice census this year told us so much about careers information and equality. We know through the census data that young men are being told more about vocational routes than young women are in their schools and in their college experience of careers information. We know that young black respondents are less likely to hear about all of the pathways that are available to them, including university and apprenticeships, and young people on free school meals are more often signposted to low-entry, low-skilled jobs and their aspirations are not stretched and pushed, particularly about them going to university. What is also patchy in schools is the delivery of the Gatsby benchmarks, which is the focus for the Department for Education and the Careers & Enterprise Company. With only 64% of young people experiencing careers activities in schools, we know it is just not happening consistently everywhere.

As Ashley says, an encounter can go so far in preparing a young person for the life that is unfolding in front of them. It is about those core career-management skills, resilience, adaptability and understanding how to use labour market information as an individual, not just about meeting employers and experiencing the world of work, albeit briefly, within



schools. There is much more that can and should be done. There is a lot of best practice and knowledge out there. I do not understand why we are still asking how to fix careers education in our schools, given that this has been a question that has been asked for the last 20 years at least, I think, certainly in the time that I have been working in this space.

Young people tell us what they want and how they want to access information. We have organisations that have done lots of research about labour market information, improving resilience, and improving careers management skills. It is just about making that system work. As we talked about earlier, maybe this current situation is the perfect storm for us to get creative and make sure those partnerships, like the Careers & Enterprise Company, the National Careers Service and DWP, are working more effectively with local and national partners to make these things happen for our young people.

Q36 Steve McCabe: Laura-Jane, I think you mentioned the specialist youth employment coaches earlier. That is a good idea, obviously, and the delivery in youth hubs. How many of these talented, specialist youth employment coaches are there? I know the DWP talks about them, but are there lots of these people available up and down the country or do we have a handful of them?

Laura-Jane Rawlings: I could not talk to exact numbers. What I can tell you is that over the last four months I have presented to work coaches who are going to be working directly with young people. I have provided training sessions to over 150 work coaches over the last two months. They have been so passionate about getting this youth offer right, about making a difference to their young claimants and about utilising the free resources, like we have at Youth Employment UK, to provide that online innovation and wraparound support. Those that I have met have impressed me that they will do this job. The questions come back to: will they get enough money; will there be enough of them; will they have enough time to navigate the individual and the pathways that exist? That is where we need to see that big push and effort.

Q37 Chair: Ben, do you want to add anything on this?

Ben Marson: Laura-Jane has just talked about the whole landscape. She pointed out that employer encounters can be hard to get right. I would say that there are still just not enough of them in schools. I wonder whether the move to digital that the pandemic has accelerated could well be an opportunity. Some of these employer encounters can be very specific and they leave the young people confused. They have heard a lot about something very specific that may not be relevant. But with this uncertainty about the future labour market, maybe we need to decode some of the core skills—some people call them liquid skills, or whatever you call them—that are really essential and try to make sure those are coherent to the workplace encounters and have a bit more of a framework around them.



Organisations like The Prince's Trust have lots of employers, we work in lots of schools, and there is an opportunity to do more to bring the two together, particularly now that digital methods are going to be much easier to navigate. Schools are more familiar with them; so are employers and so are young people. There is an opportunity and we need to do more employer encounters of any shape and size. Young people who do not have access to the social networks, or the aspiration of mum and dad, need to be put in front of the people who will make sense of the world of work. When you listen to young people trying to understand the world of work, they find it so hard to understand what a job description is. They have their own myths around what work is and is not, and you need to have a lot of attempts to challenge that and bring the workplace to them. That is my main view.

Laura-Jane Rawlings: Can I add something to that? When we talk about encounters, we also need to ensure work experience. Right now, given the pandemic, I cannot see schools and colleges allowing or being able to find those work experience opportunities at any volume. We need to become digitally creative around that too. The encounters and work experience need to be reviewed very carefully.

Q38 Dr Spencer: I would like to try to bring a few strands together, if I may. It is about working together closely and going back to Ashley's point about the ecosystem. It is a theme that seems to come up in quite a few of our evidence sessions, where we have a panel of experts in front of us who say that one of the big challenges is how we get everyone to work together in this complex ecosystem. We have the user of the system going, "How on earth do I navigate this and how do I get information?" and being quite bewildered by what is being put in front of them. It comes up quite a few times about people's interactions with DWP. Here we have quite a few different organisations, the private sector, and multiple Government Departments.

I appreciate this is a very difficult question indeed, and there is no magic answer to this, but I would be really interested to hear what your advice is or what your thoughts are on how to help people navigate through the system and how to get the Departments to work closely together so that this it is straightforward and clear for the young person going through it, and they get where they need to go. I see no takers for the impossible question.

Ben Marson: I will have a go. You have acknowledged in your question that it is really difficult, but as a bit of positivity, you have heard mention of the Youth Employment Group and I would credit that as a really good attempt to try to bring the sector together. One of the obligations on us is we have to try to be clearer about what we are asking of the Government and what we are saying the solution is. The more disparate voices you have, you make it very difficult for DWP or anyone else to make any decisions. Then your default is you have to make your own call because there is not one voice coming at you. There is an obligation on the sector itself and organisations like ours to battle it out and be clear about what



we are asking for. Some of the best joint working that I have witnessed is anecdotal. I do not have evidence for it in this period, but I think it goes a long way.

On the point about how you acknowledge the input from the ecosystem, perhaps there are ways to look at the structure around it and put in some more formal ways of gathering the intelligence as we go forward. I feel like I have not given you much of an answer there, but that is my advice.

Q39 Dr Spencer: Can I follow up on that then before the previous caveat? Is there something DWP could do differently to help this all come together, to try to bring it down to more practical outputs?

Ben Marson: From The Prince's Trust's perspective, we are coming from the caveat that we feel we have really good joint working with DWP. We mentioned the youth hubs, some of which will be in our centres. We have had really good engagement over this period about what it can and should be doing, and we are refreshing our partnership. Sometimes it takes longer than you might like it to, from a partner perspective, getting to the end result, but there is good engagement.

One thing I would call out is perhaps sometimes it goes down and it is local up. That is one of the ways that you have to end up operating. There are two views on the world when you look at sectorial changes and big macro trends: you have to go UK down and then you have to go local up. Keeping those two in balance can be useful, because sometimes everything goes down to a local level or it remains at a national level. That is an interesting debate that perhaps the sector and others could help DWP to navigate in the way we then make decisions about the kind of programmes and the rollout of those, and so on.

Laura-Jane Rawlings: I would echo Ben's view. I think DWP has been really responsive. It has become creative and has put a few rulebooks aside and started to think slightly outside of the box. Its response to the Youth Employment Group I have attended and all of the meetings with Minister Mims Davies as part of that group have been so thoroughly proactive, and you can see that at the next meeting things are moving ahead. Beyond any other Government Department, I am seeing such a commitment to this issue from DWP. I think it really understands the significance. It is a challenge. It is committed to getting this right, but the issue it will have, as Ben says, is the scale of the local and national fight that it has to do, the scale of the organisation that it has, and ensuring that everyone on its staff understands how to navigate every pathway and has enough time to do their jobs.

Those are very practical issues, but I think it has lots of potential, the way that it is thinking right now, to create a sustainable solution that will not just respond to Covid but might become a new solution to employment going forward for the country. It is just the layer of support that it will need.



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Ashley McCaul: To go back to Ben's point about the responsibility of the sector, I have worked in two sectors: the skills sector and the youth sector. I have seen them operating very independently and never the twain shall meet, despite the fact that often they can be operating in the same space. I think that sectors have a responsibility. One of our strategic objectives for the next five years is all about reaching out and connecting to the UK system within which we operate, understanding where we feature and how we connect, and understanding how our partnerships locally will benefit the young people that we work with. If we are able to navigate those relationships, we are better placed to advise young people and employers where they need to access, where the jumping-on point is and where the jumping-off point is. There is a sector responsibility.

It would be good, as part of the new initiatives, if there was something in there about a requirement to understand the ecosystem within each JCP region or area or subregion, so that there is some impetus for making connections to specifically access young people who are not in the system. They are harder to access, they are more removed from the labour market and the life-chances damage will be greater for them the longer they stay unemployed. It would be good if there was some imperative around that whole partnership and strategic partnership stuff, and then going back from region down to the local, as Ben indicated already.

Chair: Thank you. That is the last of our questions. I thank you all very much indeed for joining us. You were with us for the first hour as well as for the second one. Thank you for the answers you have given us; we are very grateful for them. That concludes our meeting.