

## Written evidence from Impetus DES0015

This document sets out the views of Impetus in relation to the Work and Pensions Committee inquiry into the case for the devolution of employment support.

### Who is Impetus?

Impetus is a charity seeking to transform the lives of young people from disadvantaged backgrounds, by ensuring they get the right support to succeed throughout education and into sustained employment.

We are a grant funder, providing unrestricted funding to 25 partner organisations. Alongside this, we provide the expertise of our Investment Team to each charity leader, supporting their organisations to grow stronger and more impactful.

We use the insight from our partner organisations to help shape policy and influence decision makers, ensuring young people get the support they need.

### Youth Unemployment

Our Connect Fund, consisting of six charities, sits within our broader work on race equity and diversity. The fund aims to help decrease the employment gap faced by young people from minoritised and disadvantaged backgrounds (particularly black, Bangladeshi and Pakistani young people) and promote systemic change towards a more racially equitable society.

As well as working closely with our partner charities to support young people into sustained employment, we fund research that offers fresh insight into the relationship between the likelihood of becoming NEET and disadvantage, and take these lessons to policy makers.

Impetus is a founding co-chair of the Youth Employment Group (YEG) alongside The Prince's Trust, Institute for Employment Studies, Learning and Work Institute, Youth Employment UK, and Youth Futures Foundation. Mobilised during the COVID-19 pandemic to prevent the long term scarring effects on youth employment, there are now 300 member organisations, from charities to local authorities to employers.

### Opportunities and Challenges

1. The COVID-19 pandemic was a watershed moment for health outcomes in England. Over the past year, we have seen more robust evidence coming out on the impact of the pandemic on young people's mental health, in particular.
2. Shocking research from the Resolution Foundation has found people in their early twenties now more likely to be out of work due to ill health than those in their early forties.
3. Post-pandemic England has also seen a sharp increase in mental health conditions. In 2000, 24 per cent of people aged 18-24 reported symptoms indicating a "common mental disorder" including depression, anxiety or bipolar disorder. By 2021-22, this number had risen to 34

per cent – over a third of the young population. Young people today have the worst mental health of any age group.

4. The report also found that 18- to 24-year-olds with mental health problems are more likely to be unemployed than their healthier peers.
5. This intersects strongly with disadvantage. Young people from disadvantaged backgrounds are likely to have weaker social and emotional skills (SES). While not the same as mental health, as found by CASEL, we know these skills “cultivate important “protective factors” to buffer against mental health risks”.
6. Worse still, our ground-breaking Youth Jobs Gap research in 2018 found that young people from disadvantaged backgrounds are twice as likely to be not in education, employment or training (NEET) in their early twenties.
7. Public Health England’s 2018 report found differences in the “extent and trends in ethnic inequalities across localities indicate the need for both localised initiatives and learning from those areas that have made progress”.
8. The same is true for employment support. Our Youth Jobs Gap report found that disparities within regions are more pronounced than disparities between regions.
9. Looking at the North West, we found striking differences within combined authority areas, with twice as many young people to be NEET in Manchester as in Trafford – both parts of the Greater Manchester Combined Authority. In the West Midlands Combined Authority, we found twice as many young people to be NEET in Sandwell as Warwickshire. For London, almost twice as many young people were NEET in Lewisham as Bromley.
10. Our research showed that every local authority area can have significant variations – areas of strength, some of which are among the best ranked local authority areas in the region; but also areas of weakness. This was also true for combined authority areas.
11. Fundamentally, our findings pointed towards the need to consider employment rates on a granular, local level. Tackling the employment challenges faced by young people, particularly disadvantaged young people, requires an understanding of how the picture varies locally.

### **Structure**

12. Impetus’ collaborative model provides a breadth of insight into the barriers faced by our partner organisations. The experience of our organisations has debunked the assumption that as a result of funding being devolved, local organisations are better able to make bids

suited to the needs of their community. Local providers often do not have the infrastructure or resources to wait the year or so it takes to secure funding.

13. The funding system is still considered impenetrable. By restructuring the funding system to reward providers who can demonstrate their impact on their target population against outcomes (for example show they have worked with X number of young people previously on free school meals) this could massively unlock funding. Above all, a coherent funding structure is required.
14. At Impetus, we understand first-hand, the implications of an impact model. While it requires more investment, the return on outcomes is high. Along with a coherent funding structure, devolved support should use an impact approach and be provided with a clear framework. Currently, there is insufficient guidance and a lack of quality standards for devolved support, with no assurance that expectations are being set and met, and little tracking of outcomes. The following will be essential to a successful model of further devolution:
  - a. An overarching policy strategy
  - b. Setting clearly defined benchmarks and minimum requirements
  - c. Adhering to quality
  - d. Monitoring outcomes
  - e. Evaluation
15. However, simply monitoring outcomes does not guarantee the desired outcome. Central and local governments alike must be willing to make mistakes, evaluate these and improve accordingly if they are to succeed in being truly impactful.
16. This model will need to be underpinned by the necessary infrastructure, including committed and effective leadership, alongside the tools and processes necessary to deliver.
17. Our work at Impetus has proven that longevity requires collaboration. If central government wishes to see long-term, sustained employment for young people - particularly those at risk of falling out of the labour market – it cannot simply prescribe outcomes. For young people to not just enter work, but to stay in work, central government must be willing to work shoulder to shoulder with local government. This means co-creating the entire infrastructure of the local employment offer. Going beyond simply funding, it necessitates shaping a sustainable function – in terms of programmes, governance and finances - which not only survives, but continually improves.
18. This collaboration also requires better communication, transparency and join-up between various services, such as schools, FE and HE providers and health services. This join-up can ensure early, targeted interventions by identifying those at highest risk of being NEET before they fall through the cracks.

19. The Work and Pension's Committee's report found that "a lack of data sharing is restricting the effectiveness of DWP's support programmes and blocking useful insight into what works". Encouraging the sharing of knowledge and best practice could better ensure the effectiveness of support at the national, regional and local level.
20. Impetus' have recently conducted some research on the EDI work of our Connect Fund charities. We found that all of our Connect Fund organisations were present and embedded within the communities they serve. This community presence in turn fostered cultural competence, with organisations being able to continuously improve and shape their understanding of cultural variety.
21. Our work also demonstrated the importance of representation, with partner organisations reflecting the demographics of the young people they serve and embedding this into leadership priorities and recruitment processes.
22. Finally, using this knowledge, partner organisations providing staff members the freedom to adapt their approach and build more inclusive programmes, work with employers doing well already, regularly review outcomes and differentiate delivery if it will help young people from specific backgrounds.

### **Case Study: Resurgo**

23. Resurgo is a charity which helps to get the most disengaged young people ready for work and into a job.
24. Resurgo's Spear programme supports 16 to 24 year olds through intensive coaching and careers support, in partnership with employers. Resurgo is sector-leading in its approach to impact management: it collects data on the socio-demographic characteristics and support needs of the young people it supports, and it tracks whether participants progress to a positive Employment, Education or Training (EET) destination three, six, nine and 12 months after they have completed the Spear programme.
25. Since 2010, Resurgo has been an Impetus partner charity, receiving unrestricted funding, alongside the expertise of our Investment Team.
26. In 2015, with guidance and funding from Impetus, the charity hired a Chief Operating Officer, to professionalise their finances and fundraising. We also helped Resurgo set up an impact team to manage the data they received from their centres and ensure high quality delivery no matter where the programme was being rolled out.
27. With our flagship four-day 'driving impact' workshop Resurgo reached some powerful conclusions:

- a. The needed to develop a way of assessing the young people in the programme, in order to identify those who actually needed the type of help Resurgo offers.
  - b. Only by knowing the characteristics of the young people on the programme (e.g. family background or prior attainment) could Resurgo evaluate their impact.
  - c. As well as measuring their students' employment outcomes 12 months after they completed the programme, the charity needed to assess young people's progress continuously, to tailor their provision more effectively
  - d. The need to offer more practical job application and interview support and stronger links to employers.
28. Resurgo then worked with Impetus' pro bono partner, PwC, to draw up a plan to implement these changes.
29. Since 2010, Impetus has supported Resurgo to grow Spear from a small project in West London to a benchmark-beating programme supporting young people across the UK. With our emphasis on impact, we have helped ensure Resurgo retains a focus on delivering a high-quality programme through their growth.
30. In 2022, Resurgo were selected as the first organisation in the UK to have their programme independently evaluated by the Department for Work and Pensions' Employment Data Lab, thanks to their high-quality data. The evaluation found the following:
31. The average participant spent between 7 and 13 more weeks in employment in the two years after starting than they would have had they not participated in the programme.
32. The percentage of programme participants classed as NEET one year after starting the programme was between 5 and 12 percentage points less than it would have been had they not participated in the programme. This result was statistically significant.
33. Results show that the impacts of the intervention persist for the full two-year tracking period.
34. From Impetus' perspective, what has made Resurgo's success possible?
- a. A clear framework (eg. The RACI framework)
  - b. Clearly delineated roles for each actor: Clarity between local groups and the centre in terms of strategy, fundraising, governance, communication etc. Who does what and who should be consulted for what should be clear at a granular level.
  - c. Collaboration, humility and trust:
    - i. Co-creating while giving Resurgo full ownership of the programme.
    - ii. The willingness to give up decision rights and allowing these decisions to be made locally while centrally raising the bar for what impact looks like.
    - iii. Trusting the organisation to decide well, while trusting the centre to deliver the knowledge and the capacity building required to sustain the programme.
35. That levels of economic inactivity and unemployment have still not returned to pre-pandemic levels shows the need for innovative and impactful solutions, particularly for young people. Further devolving employment support presents a range of opportunities, but also

challenges. If further devolution is to be effective, it cannot be through financial investment and funding alone. Successful devolved employment support necessitates a coherent funding structure; a clear framework; the leadership, tools and processes required to deliver; knowledge sharing, and above all, collaboration.

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