

Written evidence submitted by Careers England

1. Summary

Our greatest concern is that young people and adults will not be able to access the careers information, advice and guidance they need during potentially the worst recession since the 1920s as a result lack of Government support in response to COVID-19.

2. About Careers England

Careers England Ltd is the sole trade association for organisations involved in the provision of Careers Education, Information, Advice and Guidance (CEIAG) products and services in England for people of all ages. Our members provide aspects of some, or all, of the four components of CEIAG:

- Careers Education (Career Learning)
- Careers Information
- Careers Advice
- Careers Guidance

In a typical academic year our members provide face to face careers support to just under three quarters of a million individuals in England. This includes working in over 1100 schools to provide CEIAG to over 130,000 young people. In addition, we deliver careers help to 167,000 16 to 20 year olds, 80,000 20 to 24 year olds and around 350,000 adults aged 24+.

The members of Careers England Ltd comprise the majority of prime and sub-contracted deliverers of the National Careers Service. They also deliver careers guidance services for local authorities, schools and colleges across England. Most of our members are charities and social enterprises. We also have a number of sole traders and other organisations who, although not delivery services, are engaged with the careers sector.

3. Why is there a problem?

The economic forecast predicts a recession and potentially an economic depression resulting from COVID-19. In times of economic downturn, CEIAG becomes more even valuable. Individuals need help to understand the changing labour market, alongside relevant education, training and employment opportunities so that they can develop a clear career pathway to support themselves, their community and the economy.

In England, careers support is delivered by sole traders and around 12 large organisations. Elsewhere in the UK delivery is undertaken through very different models. Career organisations in England are the main delivery vehicle for CEIAG in schools and colleges to meet the government recommendation of Gatsby benchmark eight in the national careers strategy. The larger organisations also deliver the face to face element of the National Careers Service for adults, as prime contractors to the Education Skills Funding Agency (ESFA). Most of these organisations are social enterprises, charities or not for profit.

As a result of COVID-19 many small sole traders have ceased trading as schools have closed. Some of these sole traders have permanently closed, and others intend to restart. The larger companies are still trading but really struggling. This is because delivery of the National Careers Service is the main focus of their business, and without it they will struggle to survive. The approach taken by the ESFA is causing these organisations to constantly review whether they can continue as going concerns. Unlike schools and colleges that are funded by grant or commercial suppliers to government and protected by Cabinet Office Action Note PNN 220, careers organisations are required to meet a payment by results contract for face to face delivery of careers guidance. This is unachievable yet there seems to be no flexibility in the system.

The net effect is that income from National Careers Service work has reduced dramatically and cash flow is at crisis level. Careers companies are furloughing staff and making redundancies. Business Interruption loans aren't available for many as they have small reserves which disqualify them, but if they use their reserves they will no longer be going concerns.

Interestingly, not all contractors are behaving in the same way. The Big Lottery and The Careers and Enterprise Company are adopting a far more flexible approach to supporting suppliers during this crisis. Our main concern is that as we move towards the end of this crisis and begin meeting the challenges of the economic downturn, many careers companies will be closed and we will not have an infrastructure that can respond to the large demand from young people and adults for high quality careers support.

4. Impact on Young People

In times of economic recession, high quality careers information advice and guidance - delivered by trained professionals - matters even more than usual. Some schools and colleges employ their own staff to deliver advice and many buy these services from careers companies. Post COVID-19, young people will face a very uncertain future and labour market, where making the right choice for them in a chaotic employment landscape will really matter, both for them as individuals and the economy. The cost to the country from skills shortages, stagnating social mobility and poor mental health will be significant and is avoidable.

5. Impact on Adults

In two weeks the number of adults making a claim for Universal Credit grew by 1,000,000. This number keeps rising, and the rate of acceleration may increase. Large numbers of adults; many of whom are parents, will face very uncertain employment prospects. Careers support helps people to manage uncertainty, make good decisions and supports positive mental health. Careers support is about helping individuals re-assess their worth, grow resilience and make positive choices. The National Careers Service will be needed more now than any time since its formation.

6. Conclusion

If we aren't able to support careers companies through this crisis so that they are ready and prepared to support young people and adults through the post COVID-19 era we will pay a steep social and economic cost. Evidence shows that career guidance can have substantial benefits for the economy by supporting individuals to enhance their capacities in ways that contribute to enhanced jobs, skills and growth. For more information see our research paper on [The Economic Benefits of Careers Guidance](#).

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