

Routes into Work... it's Alright for Some:

key issues in
progressing
through vocational
learning into
employment

IN PARTNERSHIP WITH



Acknowledgements

The Association of Employment and Learning Providers (AELP) and Pearson would like to acknowledge the work of the Learning and Work Institute in undertaking the desk research and data analysis which underpins much of this report. We are also grateful to Youth Employment UK for independently sourcing the case studies of young peoples' experiences which help to illustrate the points being made. We are also indebted to the young people themselves for sharing their insights.

Foreword

Overall employment rates are now at their highest since records began, but youth unemployment, while down from recession peaks, is falling at a frustratingly slow pace. The number of reported job vacancies is actually greater than the number of 16 to 24 year olds who are out of work, so why is youth unemployment still so high?

Pearson and the Association of Employment and Learning Providers (AELP) have combined to conduct a joint research project seeking answers to this question. We operate in a space where government funded programmes for vocational education, skills and employment are making a positive impact on young people's lives and their long-term career prospects. For hundreds of thousands of young people, the outcome of participation is indeed very positive. Yet this report identifies some of the barriers which prevent a significant number of young people from taking full advantage of the high quality support available.

Our analysis is published at a time when the government is focused on giving young people a real choice of routes through to a successful career, particularly through Apprenticeship and Higher Education. Many do navigate their way through to these programmes successfully, but for others, particularly those who face the greatest challenges, the current options are complex and not easily understood by parents, teachers or the young people themselves. This report includes recommendations on how we can unravel the complexities and make the path to a successful start in employment a simpler one.

As we acknowledge in this report, it will not be an easy task, especially when funding remains tight. Raising awareness of the barriers faced by young people in terms of progression and teasing out how we might support them better is a good place to start.



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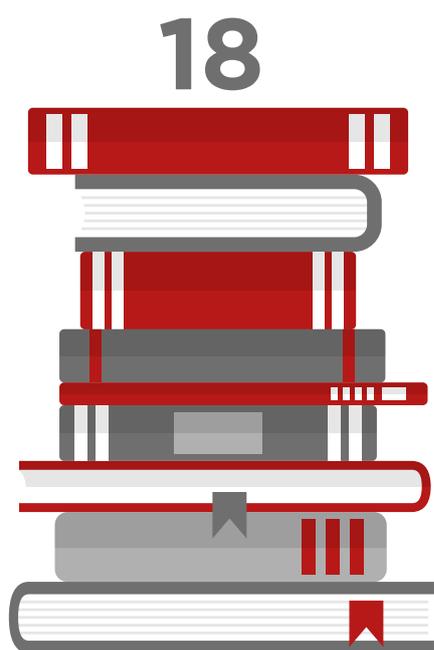
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1. Introduction

1. Introduction

Young people are our future, and we need to do all that we can to ensure that they are well prepared for the challenges and opportunities that they will face when deciding on which route to take through their journey into the world of work. Understanding the options and tackling the challenges involved in finding rewarding employment and progressing on their chosen career path is not an easy task.



Learning is the key to improving life chances and young people have to make critical choices after they finish their compulsory time in the education system. The raising of the participation age has extended that period of full time learning to 18 or through work options such as Apprenticeships. Many young people are with training providers, self employed and working but not on an apprenticeship, and the choices made in this formative period will almost certainly have long term implications. To support young people at this pivotal time it is essential that we understand the challenges, promote the opportunities and have appropriate infrastructure, policies and guidance.

The academic pathway is generally well understood by learners, parents and carers and much effort goes into the promotion of its

benefits. It could be argued that it is the default choice for the young person as it delays the transition from education to employment for at least two years and in many cases five. For those who do not choose the academic route, the vocational learning journey presents a much more complex path which lacks the 'certainty' and clarity of its academic counterpart. For those whose learning is disrupted or who experience personal challenges or disadvantages along the way things are even tougher.

Pearson and AELP have combined to conduct a joint research project which focuses on key parts of the learning to work journey for young people, identifying the barriers involved in accessing high quality vocational training and successfully progressing into work. Secondary research and statistical analysis have underpinned much of our work, and we have also tried to ensure that the voice of young people is heard through a series of case studies, insights from which are included within the text.

Whilst there are challenges for all young people, our focus here is specifically on 16-24 year olds who have not gone to university and who are looking to access work and vocational training.

16-24 Learning to work



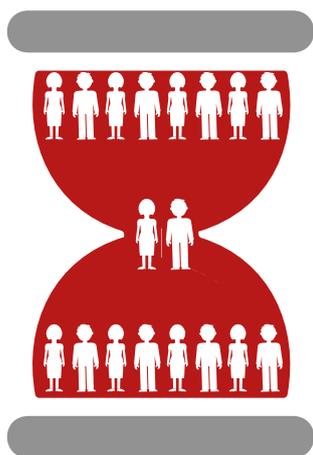


2. Key findings

2. Key Findings

Despite greater promotion of work readiness schemes and programmes, those who do not make a smooth transition and then find themselves 'shut out' of the labour market face an uphill struggle to find appropriate and sustainable work.

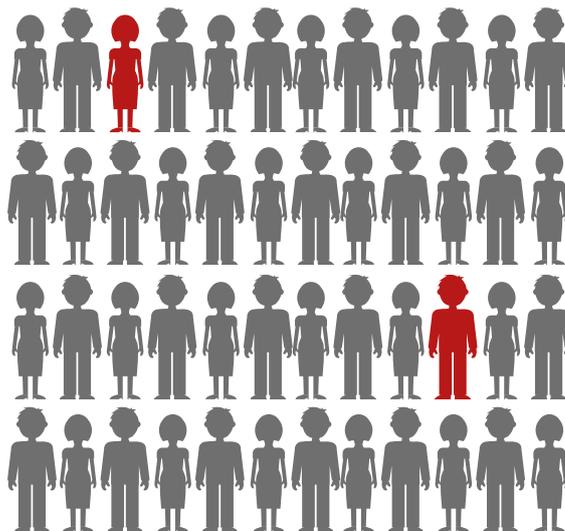
It is not easy to explain the range of factors that are making things more difficult for young people, but it is becoming clear to commentators that the shape of the UK labour market has changed to reflect an hour glass pattern. A progression bottleneck at around level 3, the gateway to any form of higher learning, appears to be developing, constricting progression routes for young people in particular. If this bottleneck becomes established, we need to reconsider the ways in which we think about career trajectories and to examine whether the current patterns of vocational training reflect this new reality.



Above all, we need to make sure young people are work ready. Within our case studies learners speak of the partial or non-existent information, advice and guidance (IAG) that they received from their educational institutions in relation to the post-16 options which lie outside the traditional academic route.

The quality, currency and availability of IAG remains a very serious concern. The creation of the new Careers and Enterprise Company is a positive move to support young people, but it is important that it does not duplicate what is already available or create confusion. It is

essential that it has a rapid impact. This alone is unlikely to be enough to effect the scale of change that is required. The real challenge lies in the lack of availability and the partiality of the current face-to-face provision. There is still a strong case for further government intervention to ensure that schools, in particular, take their responsibilities seriously.



Part of ensuring that young people are work ready is making sure they are able to make informed choices. Our report has found that learners are often realising too late that there simply aren't enough jobs in certain industry sectors. This suggests that young people may have unrealistic expectations about careers and the world of work more generally.

There is a need for a better understanding of whether too many young people apparently prepare themselves for work in popular sectors where the odds against finding work are high because they lack labour market information; or whether they have accurate information but choose to ignore it.

At present, as the figures powerfully demonstrate, too many young people still find themselves drifting, dropping out and making the wrong learning or job choices before finally managing to get a firm footing in the labour market. This story was echoed by some of the young people we interviewed as part of our research. For many of them, starting an apprenticeship was the turning point.

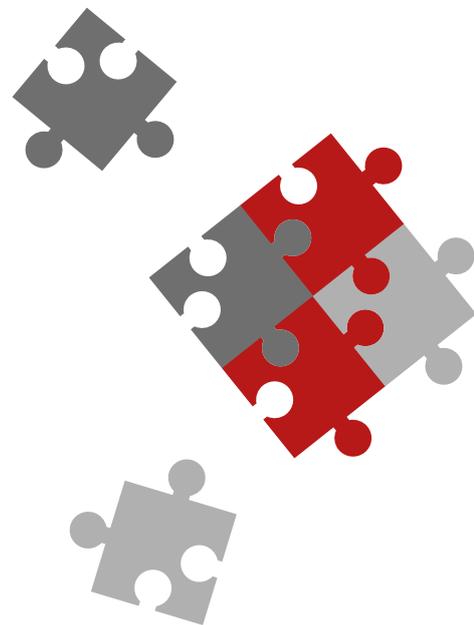
Apprenticeships continue to provide an important entry point for young people, and the demand among young people continues to grow; the latest figures suggest 11 applications for every Apprenticeship vacancy¹. It is important that we continue to take action to improve the supply of high quality places so that it more closely equates to demand. It is also vital that new policy developments such as the employer levy incentivise rather than act against increasing the numbers of young people involved. Given that apprenticeships are jobs, and the supply of jobs reflects the pattern of the wider labour market, we should be realistic about the progression rates that we expect from some intermediate level apprenticeships in the service sector. Nonetheless, these apprenticeships play a valuable role in training people and facilitating entry into employment.

Our report also scrutinises the wider variety of work based learning schemes and programmes available outside of the traditional GCSE, A-Level and university route, and finds that many of them deliver real progression for young people. Traineeships in particular are beginning to play an important role in engaging young people who are struggling to make informed decisions about their next steps into training or work.

Progression rates into work or further learning have been promising, but the fact



remains that not enough young people know about Traineeships. As a lever for unlocking potential, they can help empower young people to become independent and self-managing learners and workers. As such, our report finds that there is a strong case for improving awareness levels for programmes like Traineeships among young people, and for enabling more providers with a strong track record with this type of learners to work closely with employers to offer more places. The planned expansion of the provider base should happen immediately rather than being delayed until August 2016.



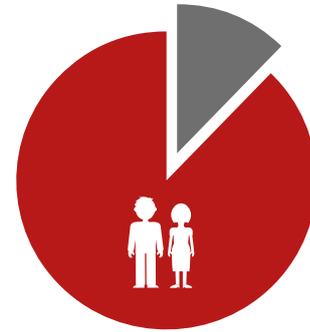
Some parts of the vocational jigsaw fit together well, but there are fault lines caused by the divisions of responsibilities between different agencies. This can make it unnecessarily difficult for young people trying to navigate their way through. And it is often those who are already facing the greatest difficulty that rub up against these issues.

We need to work towards having greater coherence and stability in the arrangements that are developed for those that are at most risk of disengagement, or who have already disengaged. In particular the arrangements developed by BIS and DWP need to work in tandem. There has been too much history of confusion and of programmes that fail to work effectively alongside each other.

The current national focus on ensuring the vocational system delivers employability skills at all levels presents an opportunity for a step-change in the delivery of support for young unemployed people trying to progress into work. The support on offer needs to be flexible, organised around meaningful contexts, and differentiated to adapt effectively to changing conditions in society, work and the labour markets.

As the Work Programme and other regimes come to a close it is important that they are replaced by a more integrated, 'learner centred' approach, which is designed to take account of the complex barriers that a greater proportion of the client group are likely to have. Good initial assessment will be vital, as will the adoption of a more flexible approach with better use of the expertise and resources of other agencies and stakeholders. Also, given the varied combinations of personal circumstances and training needs that act against successful participation, it will be increasingly necessary to design programmes that take account of issues such as parenthood rather than expecting the learner to work around a one-size-fits-all approach. Some progress has already been made in these areas, but more still needs to be done.

16-24 year olds 6.1m

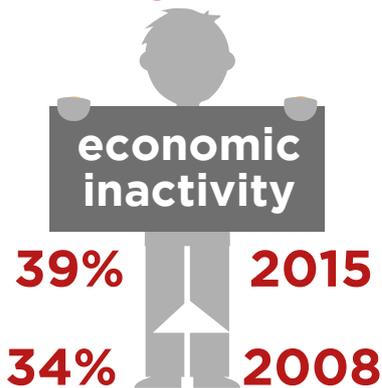


**738,000
not employed**

More generally too, young people have not shared in the benefits of the UK's high performing post-recession jobs market despite the fact that there is now a record number of people in work².

There are 6.1 million 16-24 year olds in England of which 738,000³ are not engaged in employment, education or training (NEET). This age group remains significantly more likely to be unemployed than the working age population as a whole.

16-24 year olds



Rising levels of economic inactivity among 16-24 year olds (34% in 2008 up to 39% in 2015) are also a serious concern, especially when rates across the workforce as a whole have been slowly falling as economic recovery has taken hold.

² Source: Statistical bulletin: UK Labour Market, October 2015 <http://www.ons.gov.uk/ons/rel/lms/labour-market-statistics/october-2015/statistical-bulletin.html>
³ Source: DfE, NEET Statistics Q1 2015 <https://www.gov.uk/government/statistics/neet-statistics-quarterly-brief-january-to-march-2015>



3. Recommendations

3. Recommendations

For the young people that have been the main focus of this report, the transition into and through vocational training and into work is a complex one. Part of this complexity can be about their personal circumstances and the challenges that they face on an individual level; but part is also about the systems that they need to negotiate and their ability to provide timely and effective advice and support and the right sort of personalised programmes.

Within our recommendations we have identified a number of areas where a deeper understanding of the factors in play is still needed, but there are other areas where action could be taken relatively quickly to improve the situation. No one organisation can solve these problems on its own. What is needed is a concerted effort across the relevant government departments and their agencies underpinned by a determination to reduce the number of young people who find themselves unable to move on.

Recommendations

1. Ensure that the design of the provision which replaces the Work Programme provides high levels of flexibility so that providers can create bespoke programmes that can accommodate young people with multiple barriers to work – particularly those who are economically inactive.
2. Prioritise funding for adult skills training, including English and mathematics, for the young unemployed and deploy ESF funding effectively to support young peoples' transitions to training and work.
3. Undertake research designed to assess whether the current structure and patterns



skills training

of vocational training are fit for purpose in the context of the emerging hour-glass pattern of the labour market.

4. Monitor the performance of the new Careers and Enterprise Company from an early stage so that successes can be built on and any signs of lack of reach or impact can be detected and addressed. Encourage more market-led interventions to further improve access to independent IAG.
5. Strengthen the regulations relating to IAG in schools to ensure that all types of post 16 provider have access to pupils and their parents before post 16 choices are made.
6. Consider the development of a range of actions that can be applied to schools that fall short in their statutory duty in respect of information, advice and guidance.
7. Monitor Ofsted's inspection practice in schools to assess the extent to which it takes account of information, advice and guidance practice, and the degree to which inspection grades are affected.
8. Initiate research to gain a better understanding of young people's labour market knowledge about the sector they are planning to enter at the point at which they make their decisions and start their courses. The focus should be on sectors where there is an apparent oversupply of young people training compared to the jobs available.
9. Promote Traineeships as a pathway to employment and further training to young people, employers and key influencers.
10. Increase the availability of Traineeships through widening the provider base.
11. Enhance the promotion of apprenticeships to employers, parents/carers in order specifically to improve the supply of places for young people. Ensure that new policy developments do not work against young people's access to apprenticeships.
12. Form a cross departmental steering group, involving all key stakeholders, which scrutinises all new policy proposals affecting education and training for 16-24 year olds in order to maximise synergies and reduce overlap.



4. Policy context

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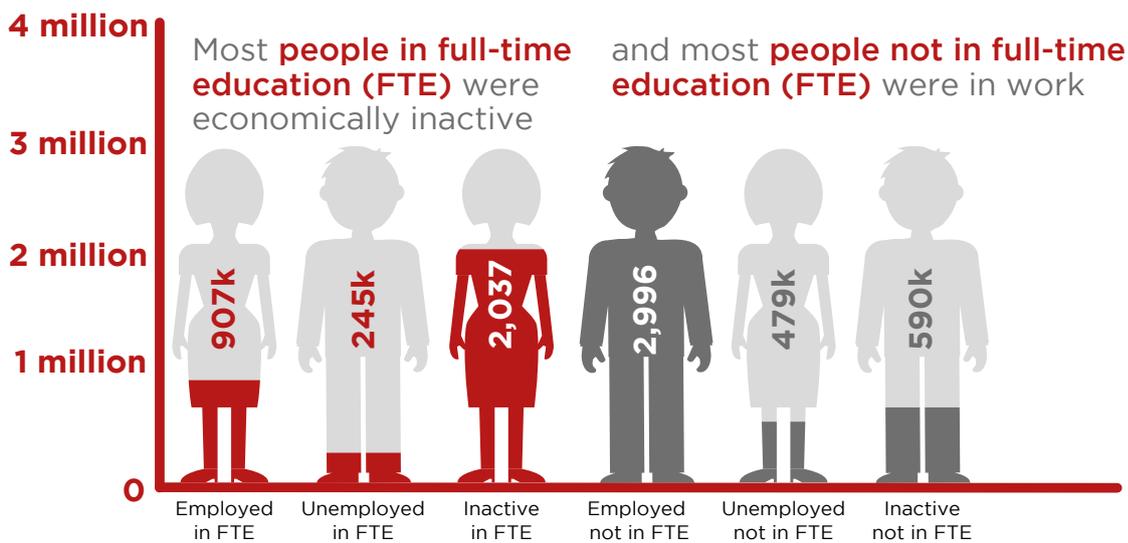
According to the Office for National Statistics (ONS)⁴, 723,000 young people aged 16-24 were unemployed in England in May-July 2015, down 17,000 from the previous quarter and down 32,000 from the previous year. The unemployment rate (the proportion of the economically active population who are unemployed) for 16-24 year olds was 15.6%, down 0.5% points from the previous quarter and down 1% points compared to a year ago.

Excluding young people in full-time education, 479,000 people aged 16-24 were unemployed in May-July 2015, about the same as in the previous quarter and 11,000 lower than a year ago. The unemployment rate for 16-24 year olds not in full-time education was 13.8%.

The figures for 16 to 18-year-old NEET had fallen by 0.6 percentage points to 7.5 per cent, representing a fall of 11,000, which is the lowest level since 2000, and 19 to 24-year-olds NEETs had fallen by 0.3 percentage points to 15.7 per cent, a reduction of 12,000 on last year.

Whilst progress is being made, and whether it is 13.8% or 13.1%, the number of young people who are not progressing smoothly through post compulsory education and training into the labour market is still too high.

A wide range of policy initiatives have been launched in this general area in recent years and there is more still to come. We have had the raising of the participation age (RPA) which meant that from last summer (2015) all young people will have to stay on in education or



Young people (aged 16 to 24) in the UK labour market for May to July 2015, seasonally adjusted⁵

The government, which does not acknowledge the ONS UK figures, has also put out its own report through the Department for Education (DfE) using different numbers based on its own rules. Figures for the second quarter of 2015⁶ showed that the proportion of 16 to 24-year-olds who were NEET had fallen by 0.4 percentage points to 13.1%, down 23,000 compared to the same period last year, and the lowest level since 2004. The number in this group according to these figures is 788,000.

training until they are 18. Alongside this the study programme has been launched. There is also far reaching reform of Apprenticeships underway together with a ministerial review of Traineeships. And with the further education budget under continuing pressure and more colleges under financial strain, the government has launched a programme of area reviews designed to drive a process of semi-voluntary rationalisation. How this will affect the availability of appropriate provision for young people remains to be seen.

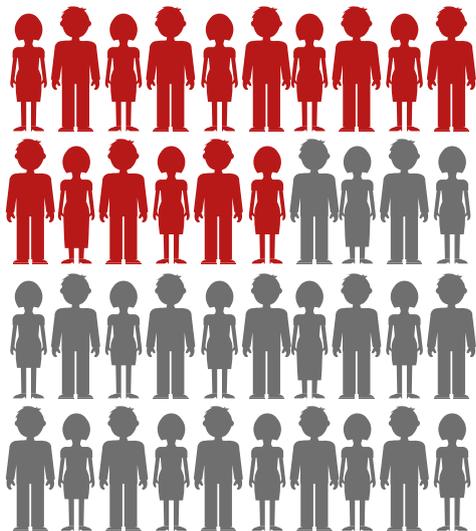
⁴ Statistical bulletin: UK Labour Market, September 2015. <http://www.ons.gov.uk/ons/rel/lms/labour-market-statistics/september-2015/statistical-bulletin.html#tab-12--Young-people-in-the-labour-market>

⁵ Source: Labour Force Survey - Office for National Statistics

⁶ DfE NEET Quarterly Brief - April to June 2015. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/454401/Quarterly_Brief_NEET_Q2_2015.pdf

Local Enterprise Partnerships (LEPs) will be involved in the area reviews, and will also have an increasing role to play in funding and the planning of provision. The new Careers and Enterprise Company is also seeking LEP funding for its network of enterprise co-ordinators. LEPs will need to tread carefully as they grapple with their new and ever increasing range of tasks, otherwise important stepping stones for young people could be threatened.

40% of over 19s in higher education

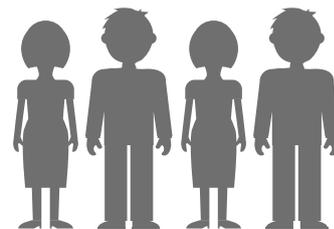


For those who do well at level 3, however, higher education participation continues to increase despite the introduction of fees and loans. With the removal of student number controls, institutions are now free to grow their provision. With stronger universities expanding and competition for higher grade students fierce it is very much a buyers' market. The latest UCAS data⁷ indicates record entry rates for young people in 2014/15. It shows that 18 year olds living in England are more likely than ever to enter Higher Education. The proportion of the 18 year old population who entered higher education increased by over one percentage point in England (to 30.4%). Over 40% of young people in England enter higher education by age 19.

At the other end of the spectrum we are seeing an increasing number of different measures targeting the young unemployed. The government's new Earn or Learn Taskforce, formed to track progress towards the target of 3 million apprenticeship starts during the current parliament, will oversee plans to move young benefits claimants onto apprenticeships or traineeships if they do not find a job or acceptable unpaid work. The Taskforce will also introduce a new "boot camp" to get claimants work-ready within six months.

This will involve 18 to 21-year-olds starting on an intensive activity programme within the first three weeks of claiming out-of-work benefit. This forms part of the wider Youth Obligation whereby those in this age group, who receive universal credit will be required, from April 2017, to participate in an intensive regime of support from day one of their benefit claim. After six months they will be expected to apply for an apprenticeship or traineeship, gain work-based skills, or go on a mandatory work placement to give them the skills they need to move into sustainable employment or face losing their benefits. The automatic entitlement to housing benefit for 18-21 year olds who are out of work will also be scrapped.

18-21 year olds



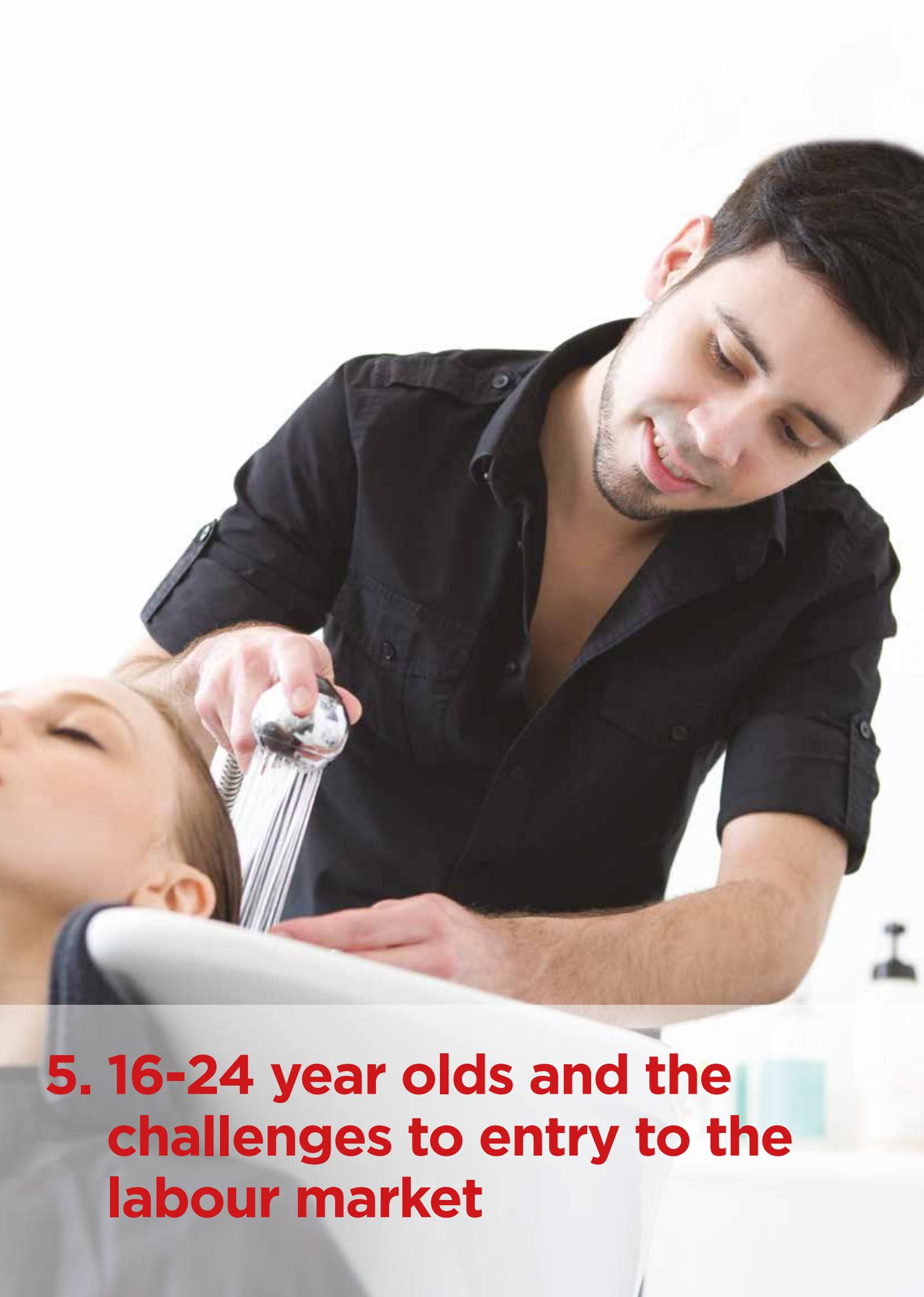
The Work Programme and associated schemes are also due for reform and replacement in 2017. The Work and Pensions Secretary has already outlined plans to reduce the number of Employment and Support Allowance (ESA) claimants using the new 'Fit for Work' initiative which has been available via GP surgeries in England since July. The minister noted that while the JSA cohort has decreased significantly, there has only been a 90,000 reduction in ESA claimants since 2010.

On the broader stage, the government's plan to drive improved productivity was published in July. The 15 point plan included some of the measures outlined above plus others such as the proposed apprenticeship levy on larger employers, a promise to reform further education qualifications, a plan to convert higher education maintenance grants into loans, and the national living wage. A number of the measures had been announced earlier with the document pulling them into a more coherent framework.

The new national living wage may also have unpredictable implications. The minimum rate of pay which will be introduced from April 2016 and will apply to all full- and part-time workers aged 25 and above will start at £7.20 an hour, rising to £9 an hour by 2020. It appears that rates for younger workers and apprentices may not move in line. Some employers and political think-tanks believe that businesses will take on more young people or self-employed workers to offset the cost of the full adult rate.

minimum rate of pay aged 25+





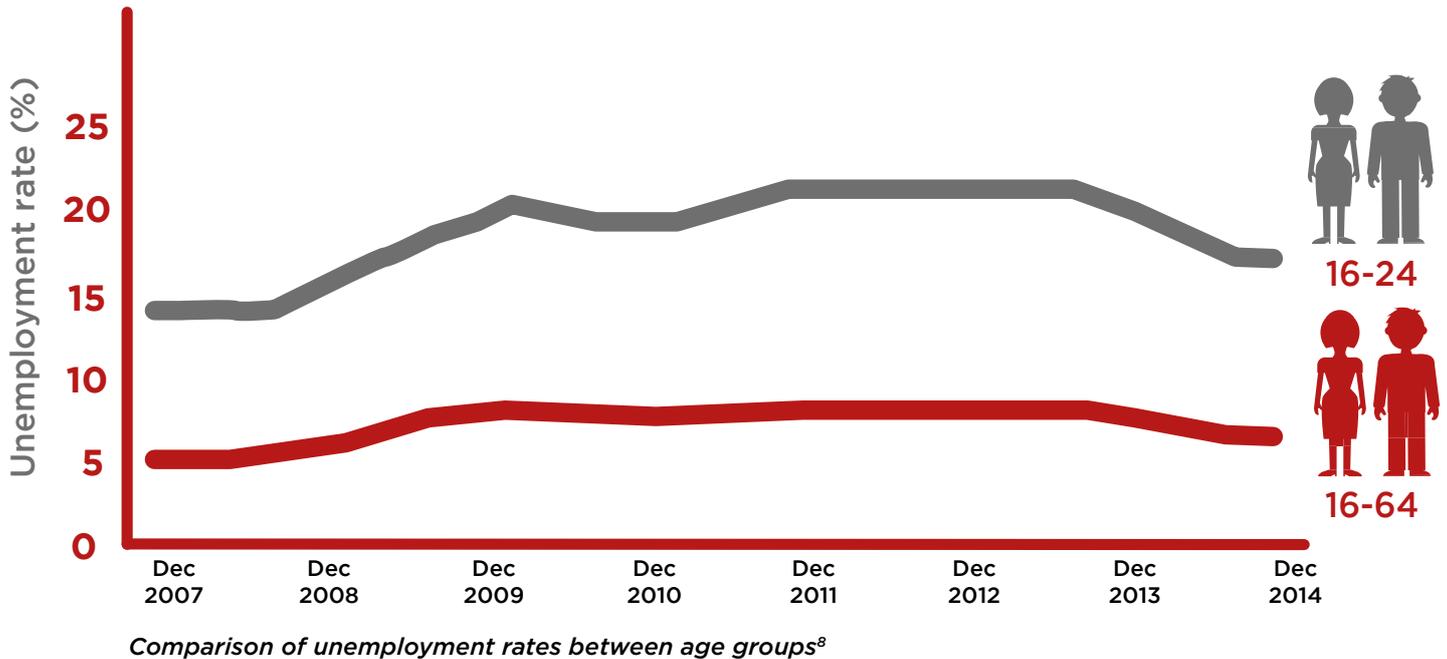
5. 16-24 year olds and the challenges to entry to the labour market

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Overview

With a relatively new government we have plenty of policy activity and a clear overall direction of travel, but where more precisely do the real problems lie for young people and which of them are affected most?

of intergenerational worklessness is not as significant a factor as some would like to believe. Although the influence of family and peers is significant, research by the Joseph Rowntree Foundation⁹ found just 15-18,000 households with more than one generation of adults who had never worked. Still too many,



At the end of 2014 there were 6.1m 16-24 year olds in England. As a group, they were particularly hard hit by the recession and the slow pace of recovery. The unemployment rate for 16-24 year olds rose from 14% in the year to June 2008 to a peak of 21.4% in the year to June 2012. In the population as a whole unemployment rose from 5.3% to 8.2% in the same period.

The unemployment rate for 16-24 year olds only started to fall consistently from autumn 2013 and dipped below 20% in the year to March 2014. The gap in unemployment rates between 16-24 year olds and the working age population as a whole remains wider than it was prior to the recession.

Explaining high levels of youth unemployment is a complicated business, but the notion that high numbers fall victim to a culture

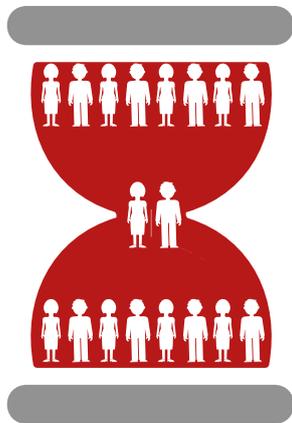
but not a significant contributor to the overall numbers.

UKCES research¹⁰ sees long term structural aspects of the UK economy as the main explanation for persistently high youth unemployment. We used to think of the labour market as a pyramid with a wide base of lower skilled jobs and a much smaller peak of the highly skilled. It is now widely believed that the shape has morphed into that of an hour glass with many more highly skilled jobs at the top, a severe contraction in the middle, and then a high volume of lower skilled, predominantly service sector jobs at the bottom. Many young people are recruited to these low wage, low skilled jobs where it is much harder to get on than it was before. The log jam effect at the middle of the hour glass applies to workers of any age, but the preponderance of younger workers at the bottom means that the impact

⁸ Source: Annual Population Survey (via Nomis)

⁹ Joseph Rowntree Foundation (2012) Are 'cultures of worklessness' passed down the generations?, Tracy Shildrick et al, 13 December 2012 <http://www.jrf.org.uk/publications/cultures-of-worklessness>

skilled



lower skilled

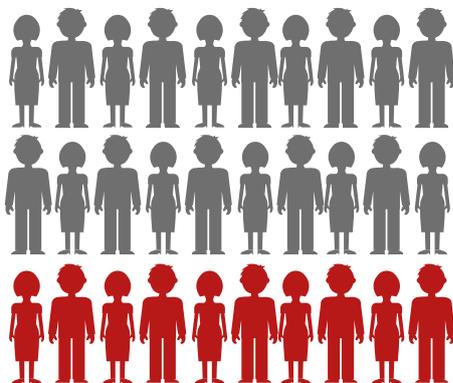
is greater on them as a group. Upward progression is inevitably more difficult for those in work, but there is also a knock on effect in that entry level jobs are also blocked for new entrants. There is no easy answer to this but we do need to consider whether information advice and guidance takes sufficient account of these issues, and whether the patterns of vocational training that we provide actually reflect these new patterns.

Other employment trends may also be acting as barriers to young people establishing a stable base in the jobs market and building a career. In the last quarter of 2014, 700,000 people were on zero hours contracts¹¹. This included a disproportionate number of young people aged 16-24. As a group they are about three times more likely to be on such contracts and make up one third of the total. There is no doubt that some young people welcome the flexibility that these arrangements bring, especially if they are juggling work and study, but for others they are a last resort and may explain some of the movement in and out of the NEET group.

I applied for around 400 various positions whether it was jobs, apprenticeships or internships. It was really hard and starting to affect me emotionally.

Rhiannon - Northamptonshire

**700,000
zero hours contracts**



16-24 = one third

Another concern is the rising levels of economic inactivity¹² among 16-24 year olds, especially when rates across the workforce as a whole have been falling slowly. The rate for young people rose from 34% in 2008 to 39% in 2015¹³. Some of the increase may be accounted for by increasing numbers remaining in or returning to education, but there is little doubt that a significant number of others have become disengaged from both the labour market and the education and training system.

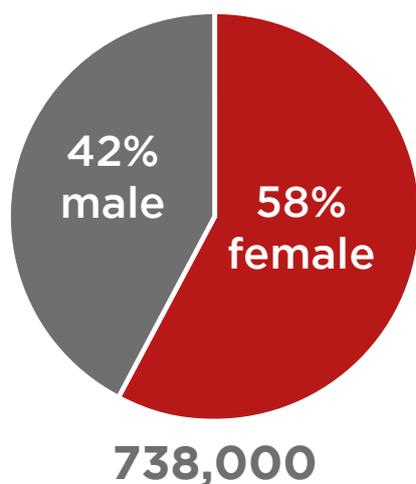
The 16 - 24 NEET group

The group that generates most concern are those who are not in employment, education

10 Catch 16-24: Youth Employment Challenge, 12 February 2015 <https://www.gov.uk/government/collections/ukces-youth-employment-reports>. UKCES 2015
 11 <http://www.resolutionfoundation.org/publications/matter-time-rise-zero-hours-contracts/>
 12 The economically inactive are defined as people who are not in employment or unemployed. There are many reasons why an individual may be inactive, for example, they might be studying (and not seeking work alongside), looking after family or long-term sick.
 13 Source: Annual Population Survey (via Nomis)

or training – the NEET group. Estimates for the number of young people 16-24 who were NEET in England in first quarter of 2015 stood at 738,000¹⁴, 12.3% of this age group. 58% of the group are female. The overall figure masks significant regional variations from 10.2% in London to 18.5% in the north east. There are also variations in the NEET rate by age with 1.6% of 16 year olds classified in this way, rising to 5.7% of 17 year olds, with a further steep rise to 14% of 18 year olds. NEET rates for 16 and 17 year olds have been falling recently, possibly due to the impact of the raising of the participation age; although seasonally adjusted figures for this age group show little change, especially in the numbers that are economically inactive.¹⁵

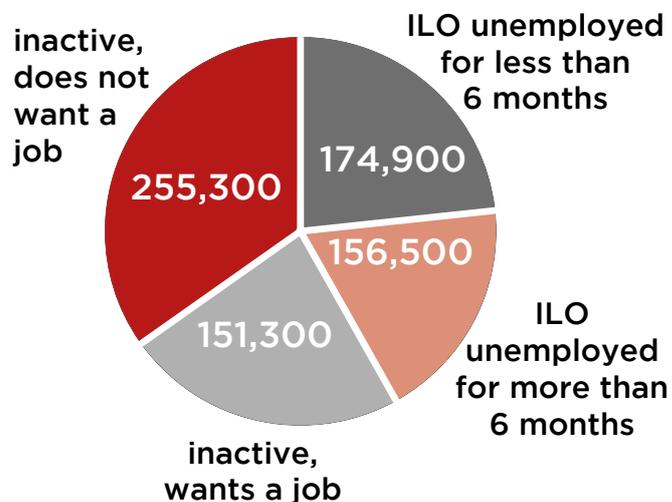
NEET 16-24 12.3% of total age group



A better understanding the structure of the overall NEET group should help us to think through the types of solutions that might be most helpful for them. Much will depend on their labour market status and personal circumstances.

Of the 330,000 who are unemployed, just over half have been so for less than 6 months. In theory at least, these should be among the easiest to help although recent changes in

Labour market status of NEET group quarter 1 2015¹⁵



circumstances may complicate the picture. In contrast, an estimated 40% of the 16-24 NEET group, a total of 301,800 young people, are not claiming any form of out of work benefits. This is likely to be the group that furthest from the labour market and hardest to engage.

Many of the 60%, or 436,170, who were claiming out-of-work benefits were parents. Parenthood creates additional difficulties for those considering moving on to employment and training. 133,600 out of work benefit claimants under 25 had at least one child representing 31% of all claimants in this age group.

Overall, the vast majority of those claiming benefits were claiming in just one category (excluding housing benefit). 82,000 were claiming more than one benefit; another group likely to be among the hardest to re-engage. Claims relating to incapacity and disability by far the most common combination.

Of those claiming key out of work benefits in November 2014, 35% had been claiming for at least a year with almost 20% claiming for at least two years. Income support tends to be claimed for longer periods, mainly because there is a large proportion of lone parents in this group.

¹⁴ Source: DfE, NEET Statistics Q1 2015 <https://www.gov.uk/government/statistics/neet-statistics-quarterly-brief-january-to-march-2015>

¹⁵ ONS <http://www.ons.gov.uk/ons/publications/re-reference-tables.html?edition=tcn%3A77-393099>

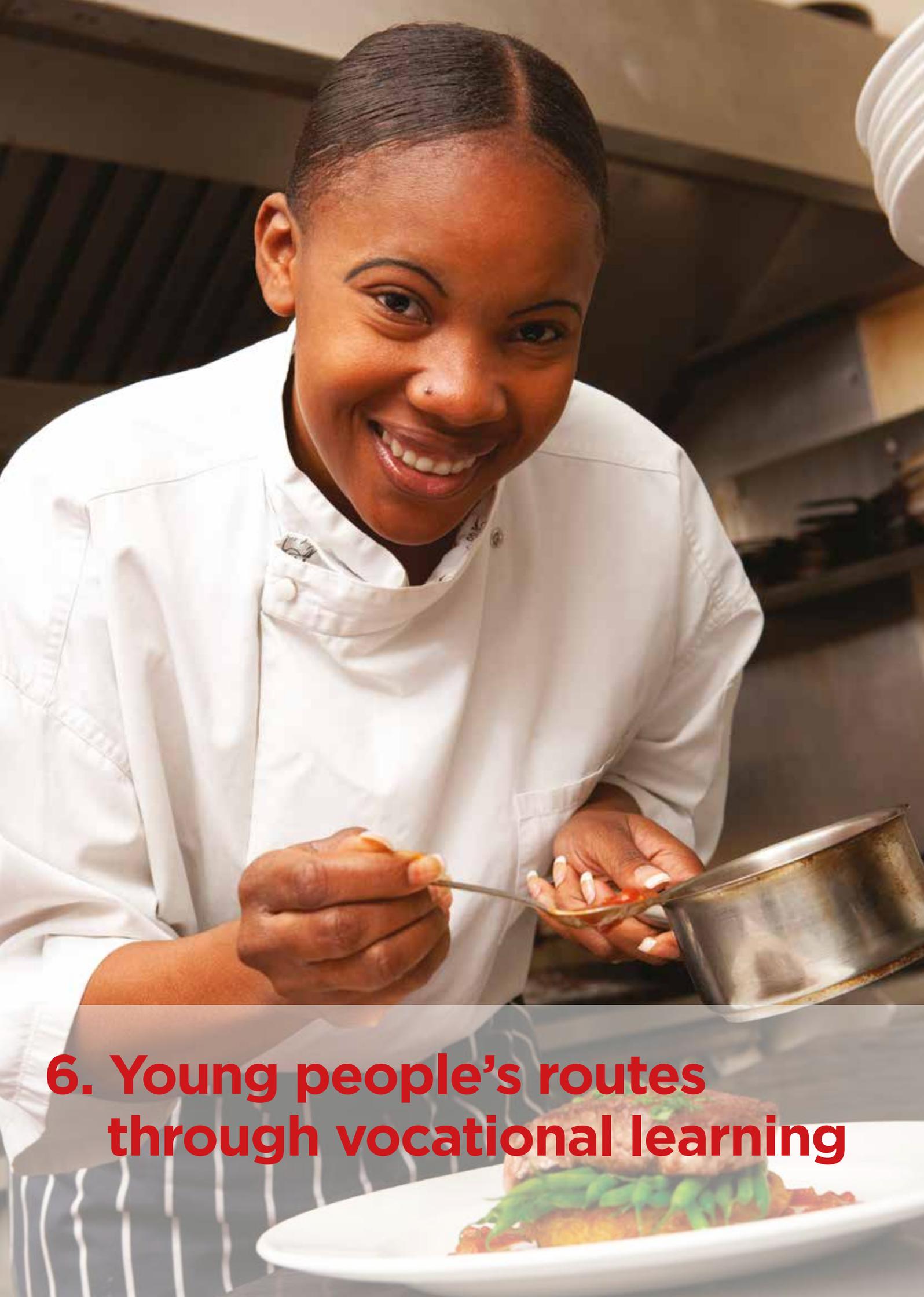
¹⁶ Source: Inclusion Estimates, derived from NEET statistics, DfE, Q2 2014 and DWP Benefit Claimants aged under 25, May 2014 (via Nomis). Notes: 1 those who say they would like a job but don't meet the ILO definition of unemployment. 2. No indication of whether they want a job in the future

...I'm profoundly deaf and have a cochlear implant. There seemed to be no special way they [Jobcentre Plus] treated someone who has a disability or filtered appropriate jobs for them...

Aaron - Dorset

Data for those claiming JSA or in the work related activity group within Employment and Support Allowance (ESA) shows that there are no significant trends in terms of ethnicity. Around 15% of young claimants were from ethnic minority groups and, although there were large regional differences, these tend to reflect the structure of the local population in this age group. There are, however, some differences between minority groups with Black groups over represented (5.2% compared to 3.9% of the population as a whole). All other minority populations are less likely to be claiming benefits.

Almost 60% of ESA claims are on the basis of mental and behavioural disorders (48,000 of 80,750).



6. Young people's routes through vocational learning

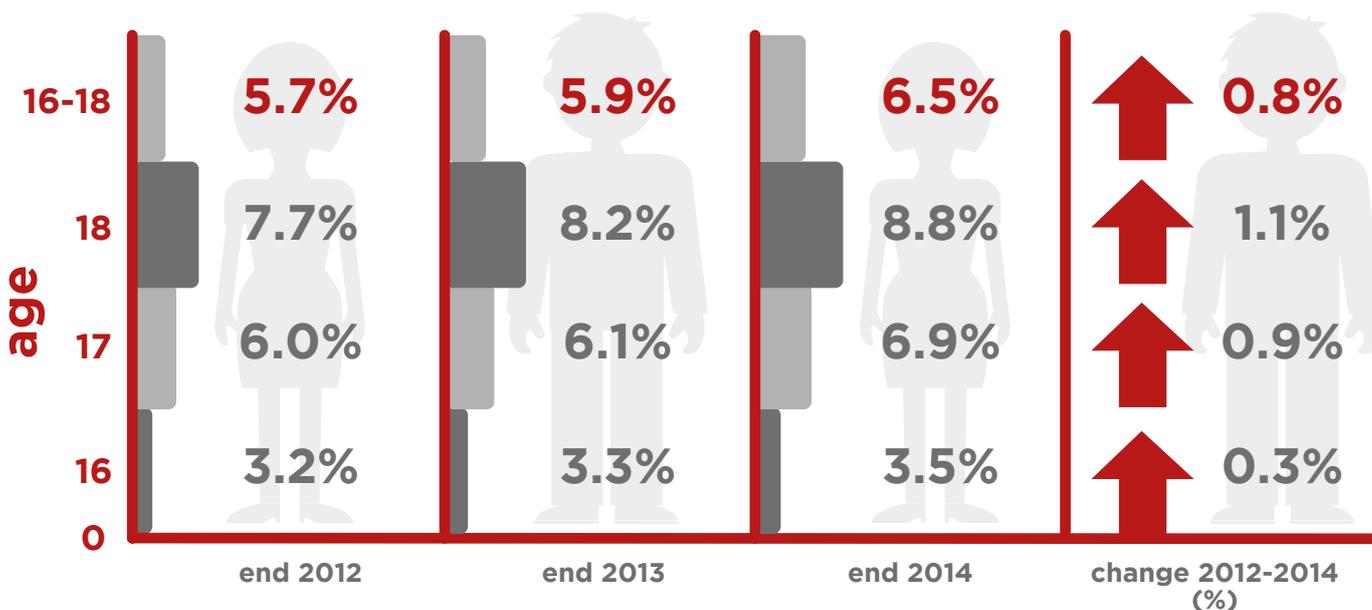
6. Young people's routes through vocational training

On the other side of the coin, participation among 16-18 year olds has been rising consistently in recent years. In 2014 71.5% of this age group were in full time education. Participation in work based learning has also been rising. By 2014 6.5% of the age group, a total of 125,300, were in this type of provision compared to 5.7% in 2012.

compared to 2008/09 to number 185,211. It had risen by 14.1% compared to the previous year. The academic cohort has remained relatively stable numbering 265,201 in 2013/14.

On one level, these are encouraging trends, but the growth in participation in work based learning among 16-18 year olds still lags far behind that in older age groups. If we are to

Proportion of 16-18 cohort participating in work based learning



Participation in Work-Based Learning by 16-18 year olds in England, 2012 - 2014 ¹⁷

The data indicates that the increase is a result of fewer being NEET or in jobs without training rather than a drift from full-time education. This suggests that work based programmes have a significant role to play if we are to make further inroads into the NEET numbers.

better understand the factors that affect young people's ability to make smooth transitions, we need to look more closely at what is available to them after their compulsory schooling and how well it works: in particular that provision which might appeal to those who experience most difficulty at this point, and to those who drop out at various points along the way.



Study programme

The Study Programme was introduced in 2013/14 and aims to enable providers to develop individualised learning programmes for 16-19 year olds that do not limit their future options. Study programmes cover all levels up to level 3 and include as their core a substantial academic or vocational programme, together with work experience and English and mathematics. The vast majority of 16 year olds now follow this route.

Nor is the increase just at lower levels. At level 3 in particular, vocational routes have been increasing in popularity among 16-18 year olds since 2007/08. By 2013/14 the size of the vocational cohort had increased by 84.6%

¹⁷ Source: DFE (2015) Statistical First Release SFR19_2015

Ofsted reports¹⁸ suggest that problems with implementation remain with too many learners, especially at levels 1 and 2, not working at a level commensurate with their prior attainment. Too few providers are able to provide sufficient good quality work related learning or to exploit work experience effectively.

Apprenticeships

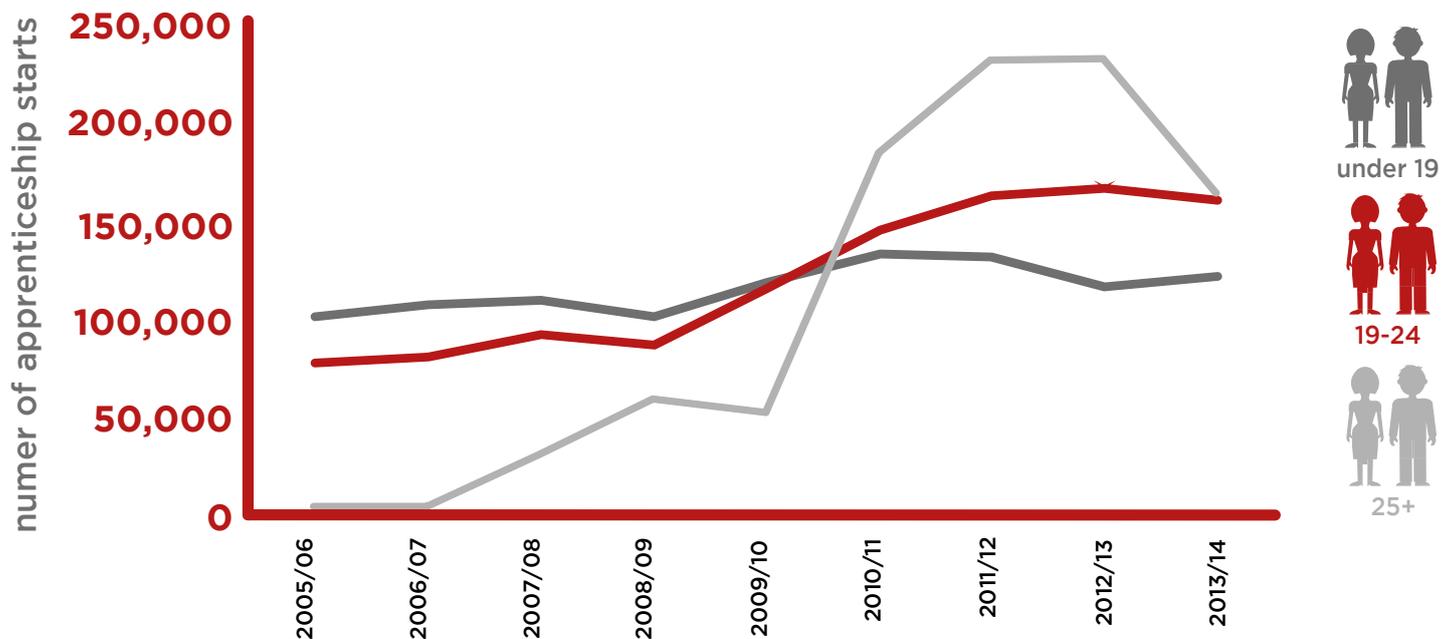
Apprenticeships are also playing an increasingly significant role. Since 2008 there has been a consistent increase in investment in apprenticeships with a range of initiatives taken to boost numbers and quality. Of particular relevance for young people has been the duty placed on the government to fund apprenticeships for all young people who secure a place, and the Apprenticeship Grant for Employers (AGE) for those recruiting a 16-24 year old apprentice for the first time.

Further reforms include the development of new Trailblazer standards designed by employers, and the planned introduction of a levy to be paid by large employers to fund further places.

I had not heard about apprenticeships at school and I guess what I knew of them was that they were for people who....wanted to be hairdressers and the like.

Carly - Hull

There were over 440,000 apprenticeship starts in 2013/14 compared to just 175,000 in 2005/06¹⁹. There has been relatively slow growth among 16-18 year olds and a steady increase at age 19-24. The vast majority of the growth has been among over 25 year olds with the more recent decline shown in the chart below explained by the abortive attempt



Apprenticeship Starts by Age, England, 2005/06 - 2013/14 ²⁰

18 <https://www.gov.uk/government/publications/transforming-16-to-19-education-and-training-the-early-implementation-of-16-to-19-study-programmes>

19 Source: SFA Data Library: Apprenticeships <https://www.gov.uk/government/statistical-data-sets/fe-data-library-apprenticeships>

20 Source: SFA Data Library: Apprenticeships <https://www.gov.uk/government/statistical-data-sets/fe-data-library-apprenticeships>

to introduce loans for this provision. It is also clear that more workplaces are employing apprentices, particularly in London where participation had been weak in the past.

Apprenticeships are available in around 170 different industries encompassing 1,500 job roles although the 15 most popular frameworks accounted for 78% of starts by 16-24 year olds in 2013/14. Nevertheless, the range of occupations available has been increasing steadily making it more likely that there will be something to appeal to a greater proportion of the cohort.

In 2013/14 53% of all apprenticeship starts were by females. The gender gap widens to 56% female at advanced level and 65% female at higher level. Gender stereotyping persists however, with females over represented in sectors with lower



wage levels and limited opportunities for career progression. In this sense, apprenticeships do little to address the underlying gender structure of the wider labour market, but instead continue to reflect the status quo.

There are statistical challenges involved in isolating data for 16-24 year olds within the wider apprenticeships programme, but estimates appear to suggest that learners with learning difficulties and disabilities are more likely to participate whereas all ethnic minority groups are less likely to participate. Participation is particularly low among Asian and Asian/British young people.

Around two thirds of apprenticeship starts are at intermediate level with most of the

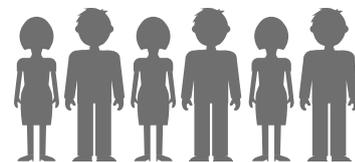
There were at least 30 people in the group interview for my second apprenticeship for 4 vacancies.

Michael - London

remainder at advanced level. The proportion of advanced level starts has been growing steadily though. Higher apprenticeships, whilst beginning to grow, accounted for only 2% in 2013/14. Progression from intermediate to advanced apprenticeships remains relatively weak, with a progression rate of 53% reported in a 5 year tracking survey. The emerging hour-glass structure of the labour market discussed elsewhere in this report may help to explain this.

Overall demand for apprenticeships far outstrips supply and has done for a considerable time. According to statistics from the National Apprenticeships Service vacancy matching system, competition for each vacancy has been increasing in recent years from 6

**6 applications per vacancy
2008/2009**



**11 applications per vacancy
2013/2014**



applicants per vacancy in 2008/09 to 11 in 2013/14²¹. This system is used predominantly by younger people, with only 6% of the applicants over 25 years old. This high level overview masks a more mixed picture. Large numbers of young people are attracted to high profile vacancies with large employers²², yet many providers also report a lack of candidates for vacancies in some less high-profile sectors and in smaller companies.

Overall framework success rates for apprentices aged 16-23 have declined over the past three years from 74.5% in 2011/12 to 70.7% in 2013/14. This is still better than the rate for those over 24 which was 66.8% in 2013/14. These declines are partly due to the introduction minimum of lengths of stay for apprenticeship programmes.

Success rates for 16-23 year old apprentices show little difference between genders. Advanced apprentices have better success rates than those at intermediate level. Learners with learning difficulties and disabilities have success rates around 5% below their peers. Apprentices from ethnic minority groups have significantly lower success rates which are falling more quickly than those of white groups.

Whilst there remains work to be done, especially to convince more employers to offer places to 16-18 year olds in particular, it seems clear that apprenticeships could help more young people make successful transitions.

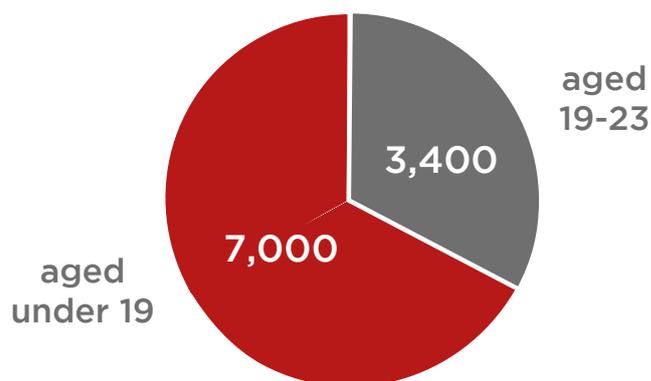
I started with A levels...and failed them; I then moved on... but became frustrated by the way of learning which is why I started to look at apprenticeships.

Rhiannon - Northamptonshire

Traineeships

As the figures quoted earlier powerfully demonstrate, not everyone navigates their way successfully into the Study Programme or Apprenticeships. For those that don't the picture can appear bleak and many need significant support in order to move on. Traineeships were introduced in August 2013 replacing other similar schemes. Lasting between 6 weeks and 6 months, they provide education including mathematics and English for those who don't already have A*- C at GCSE in these subjects, training, and work experience for young people under 24 who are qualified below level 3, to help them secure an apprenticeship or another job.

Traineeships starts 2013/2014 (published)



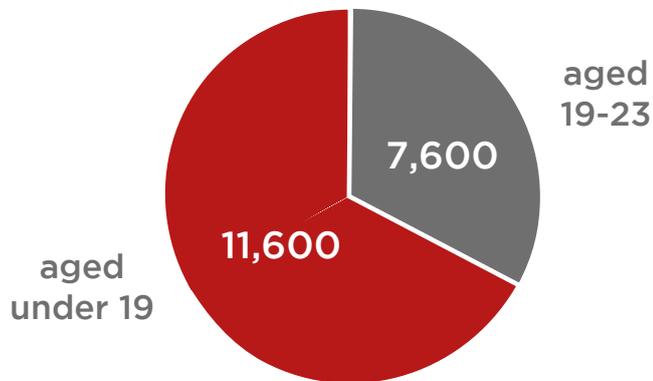
Published statistics show there were 10,400 Traineeship starts in 2013/14²³, of which 7,000 were aged under 19 and 3,400 were aged 19 to 23. The same statistics showed 4,800 completions and 4,400 progressions based on those who finished their traineeship during 2013/14. Provisional data for the full 2014/15 academic year²⁴ show that there were 19,200 Traineeship starts of which 11,600 were aged under 19 and 7,600 were aged 19 to 24. In the same academic year there were 11,100 traineeship completions and 6,200 progressions. Of these progressions 4,400 were progressions to a job, apprenticeship, further

22 <http://www.cherwell.org/news/academic/2013/04/25/nissan-apprenticeships-harder-than-a-place-at-oxford>

23 <https://www.gov.uk/government/statistics/learner-participation-outcomes-and-level-of-highest-qualification-held>

24 Statistical First Release SFA/SFR30 Published 14 October 2015

Traineeships starts 2014/2015 (provisional)



full time education or other training for those aged under 19, and 1,800 were progressions to a job or apprenticeship for those aged 19-24.

Traineeships are still a relatively new programme, but momentum has been slow to build. A number of factors have contributed to this including apparent low levels of awareness among young people and their advisers, difficulties in resolving issues of access for Jobcentre Plus clients, and criteria limiting the range of providers able to participate. Most providers surveyed in 2014²⁵ expected to receive more trainees. The mismatch in expectations

90% of Traineeship



might be explained in part by the fact that only 6% of trainees in the survey reported themselves as 'doing nothing' immediately before joining, suggesting limited engagement with the hard core NEET group. This is a significant issue that needs to be addressed. Nonetheless, learners, providers and employers were generally very positive about the programme. Financial incentives and better promotion were the main suggestions for improvement. Other research confirmed confusion relating to the benefits system but also suggested that an unpaid scheme is hard to sell to young people, especially when there is no qualification involved and progression routes seem uncertain.

Despite this the signs are promising with 90% of Traineeships resulting in positive destinations for the only full year for which data is available. 60% of those undertaking traineeships were engaged in work to improve their English and/or mathematical skills.

Employment and progression outcomes

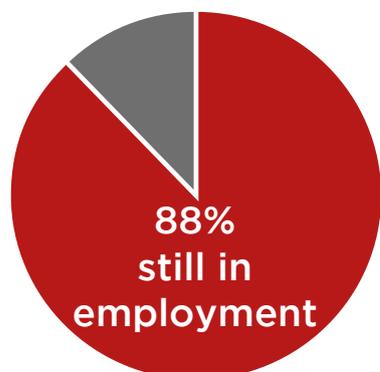
Success and progression rates tell part of the story for both Traineeships and Apprenticeships. More in depth research and analysis has also enhanced our understanding of the effectiveness of these programmes and the additional benefits that young people can derive from them.

BIS undertook sample based learner surveys for both apprenticeships²⁶ and traineeships in 2014. The results for apprenticeships were very positive with three quarters of apprenticeship completers reporting that they were now more satisfied with their job; 82% feeling that they were better at doing their job; and 79% stating that their career prospects had improved. Younger apprentices tended to be more positive than their older counterparts. Since completing their apprenticeship a quarter had started a course leading to a qualification but only 20% of intermediate apprentices had progressed to advanced level. Receiving a pay rise was more likely than getting promoted for recent completers, probably due to the effect of movement away from the apprentice rate under the minimum wage regulations.

²⁵ Department for Business, Innovation and Skills (2015) Traineeships: First year process evaluation, BIS Research Paper Number 222, March 2015 <https://www.gov.uk/government/publications/traineeships-evaluation>

²⁶ Source: BIS Apprenticeship Evaluation (learner survey) <https://www.gov.uk/government/publications/apprenticeships-evaluation-learner-survey-2014>

Apprenticeships completers



88% of completers were still in employment, most with the same employer although younger apprentices were significantly less likely to be in this position. Just 6% of completers were unemployed with 2% in education or training.

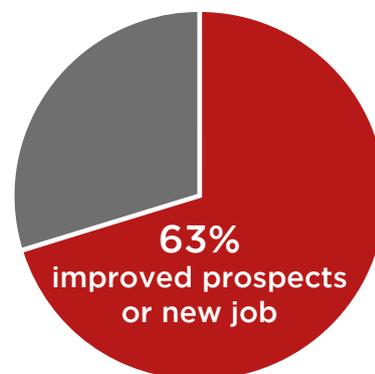
The Traineeship survey was relatively early in the programme, but yielded similarly positive results. Two thirds of leavers had positive outcomes. 50% of leavers were in employment, just under half of them through an apprenticeship. A further 17% were in education and training with the remainder mostly looking for work.

Traineeship to apprenticeship is one very valid type of progression, and it will be interesting to see whether the current rates are sustained or improved. Another plausible progression route is from intermediate to advanced apprenticeships, but here the rates are generally low. The main reason for this appears to be the issue referred to in an earlier section, namely the structure of employment in the wider economy, with many intermediate apprentices clustered in high volume service sector jobs where there is far less employer demand for roles that require a higher skill level. In addition, many of the roles that do exist are supervisory in nature meaning that young people may need to wait longer to be able to access these posts as they build up a

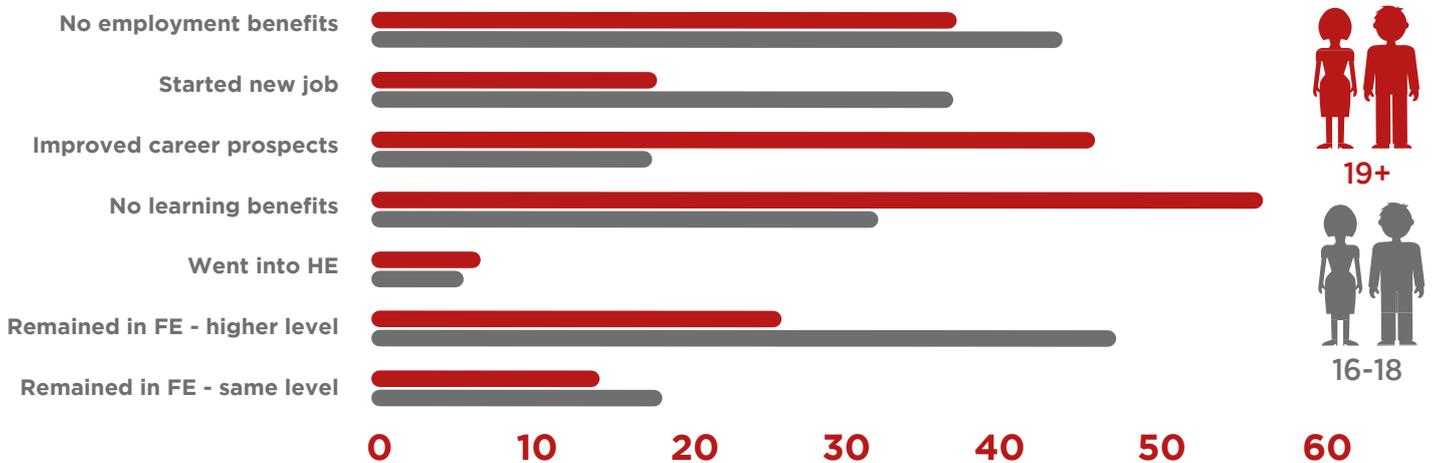
body of experience. Customer service, retail, and hospitality and catering stand out as high volume areas with less than 20% progression between intermediate and advanced levels. The problem is not the availability of appropriate apprenticeship frameworks: only a small percentage of occupational areas are only available at intermediate level.

Destination data is generally weak across the further education and skills sector but crucial to understanding its outcomes. Initiatives are underway to introduce a wider range of outcome related measures to complement qualification success rates. These will encompass destinations, progression, and earnings. The current SFAs FE Choices data²⁷ does provide some insights into learner destinations, although there is a large time lag before data can be published, mainly due to the complexity and time taken to conduct surveys and contact learners. Figures released in May 2014 actually relate to learners who left in 2011/12. According to this analysis two thirds of 16-18 apprentices remained in some type of learning on completion, with half progressing to a higher level. Apprentices over 19 were more likely to report employment benefits with 63% reporting improved career prospects or having started a new job. 54% of those under 19 reported positively in the same areas.

Apprenticeship completers over 19



Learning and employment benefits accruing to apprentices



Based on 'Destinations of Apprentices, by age, England, 2011/12'²⁸

DWP support for the NEET group

As section 5 of this report illustrates, a significant proportion of those who do not make successful transitions into training or work by age 19 receive support from the Department for Work and Pensions (DWP). Some DWP clients are now beginning to benefit from Traineeships although getting this linkage in place has been a slow process. For those who are not eligible, or who are not deemed suited to this type of support, DWP, through Jobcentre Plus, provides a range of support to help young people who are NEET into paid employment. Sector based work academies are designed to help JSA and some ESA claimants from the beginning of their claim. Working closely with employers, the academies consist of a short period of pre-employment training, work placements and a guaranteed interview scheme. The Work Programme focuses on those

at risk of becoming long term unemployed and provides increasingly tailored support for JSA claimants from week 39 of their claim, and for those on ESA who are close to being ready for work. Whilst these basic arrangements apply to claimants of any age, there is additional help for young people through the Youth Contract. Examples include additional work experience or sector based academy places, and additional adviser support. Other DWP programmes including those aimed at self-employment are also open to young people.

The government's welfare to work programmes have helped significant numbers but they have not provided a lasting solution. The flagship Work Programme has helped just under 150,000 18-24 year olds find sustained work since its launch in 2011 - but this is a relatively small dent in the overall numbers.



7. Barriers to participation and progression

7. Barriers to participation and progression

So, looking at the education and training system for 16-24 year olds as a whole, it seems that young people who are suited to, and motivated by, the mainstream academic pathway generally progress reasonably smoothly, at least until it comes to finding appropriate employment in line with their aspirations. Some do drop out and find their way into training or employment, generally through their own devices. Another group are clear from the start that they want to pursue an Apprenticeship and are fortunate enough to find one that meets their expectations. Those who pursue either of these routes generally gain a lot from them and experience little disruption. So, it's alright for some.

'Not everyone wants to go on to college and university and get all that debt.'

Gareth - Hadleigh

But not for others. Too many young people still fail to move smoothly on into training or work despite the opportunities that appear to be available to them. Part of the explanation lies with the circumstances that they find themselves in and the range of challenges that they face. Even the fairly high level analysis of the characteristics of the NEET group contained in section 5 provides some clues as to why it is so difficult to engage some young people. Caring responsibilities, parenthood, and health problems undoubtedly make things significantly more difficult, and it seems clear that the current arrangements lack sufficient flexibility to accommodate some of these issues. Although there are programmes like apprenticeships and traineeships that do work

well for many, the range of provision that is currently available doesn't work for as many as it should do. Sitting alongside this, there is also a whole range of other system wide issues that help to determine whether young people will engage with vocational training and the labour market and how effective and sustained that engagement will be. Various research projects have delved below the surface to develop a more nuanced picture.

BIS research as part of the 2013 national research project into the NEET group²⁹ found a significant number of barriers to participation in training and the labour market. These ranged from those relating to their own position such as family and peer pressure, lack of skills and qualifications, finance, and challenging personal circumstances, through to those relating to the provision of opportunities such as course content and format, lack of professional advice and support, and course availability. Lack of motivation, poor attendance and attitude, health issues and poor previous experience of learning also played a part.

National Foundation for Educational Research (NFER) work from 2010³⁰ found that 86% of those finishing year 11 do not experience any barriers to post 16 participation. The main barriers cited related to finance, transport (especially in rural areas), availability of provision, and their knowledge of what was

transport problems



²⁹ Department for Business, Innovation and Skills (2013) Motivation and Barriers to Learning for Young People not in Education, Employment or Training, BIS Research Paper Number 87, February 2013 <https://www.gov.uk/government/publications/motivation-and-barriers-to-learning-for-young-people-not-in-education-employment-or-training>

³⁰ National Foundation for Educational Research (2010) Barriers to participation in education and training, Thomas Spielhofer, Sarah Golden, Kelly Evans et al, Research Report DFE RR009, June 2010 https://www.nfer.ac.uk/publications/BPTZ01/BPTZ01_home.cfm

actually available. Finance to cover transport costs was an issue particularly for those who were NEET or in a job without training. With more support available they might have made different choices. The amount and nature of information, advice and guidance was a limiting factor for a significant minority especially those with learning difficulties and disabilities, teenage parents, and those who were NEET or in jobs without training. Those with high levels of awareness about apprenticeships but did not obtain one were also significantly less likely to participate.

Certain groups also face additional challenges. Young parents and those with mental health issues are two such examples cited elsewhere in this report. Young people from ethnic minority groups may also face additional barriers

The main problem is travel costs. Due to travelling from Essex each day...travel costs to London are £200 which is just under half what I make.

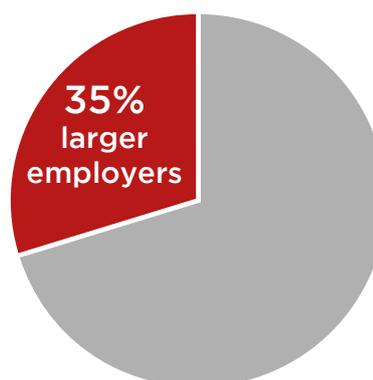
Conor - Loughton

associated with their more general position in the labour market. Examples include clustering of certain lower skilled occupational groups, cultural barriers, and employer discrimination.

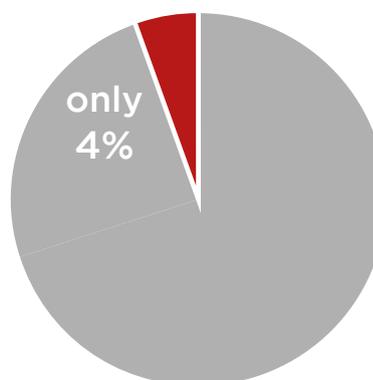
Much has also been made of the employability skills of young people, or the lack of them. This has been a recurring theme for a number of years. CBI surveys³¹, focusing mainly on larger employers, tend to report continuing significant levels of employer dissatisfaction with young people's English and mathematical ability with around 35% reporting concerns of this type. There is no doubt that too many young people do not develop the skills they need through the school system. Nevertheless, this type of issue is far less prominent in the larger UKCES survey³²,

with only 4% of employers citing this area as a serious weakness among recruits. In this sample softer skills, attitude and motivation were more of a concern. Here too there is a mismatch between what is being developed in the mainstream system and what employers say they require.

Dissatisfaction with English and math skills



CBI Survey



UKCES Survey

The UK vocational learning system

Some have argued that the UK's vocational education system itself acts as a barrier to successful progression to employment. Given that it is this part of the system that those who don't progress smoothly at present would be most likely to turn to, this is a point worthy of serious consideration. Recent IPPR research³³ stressed the need for improvements

31 <http://www.cbi.org.uk/media-centre/press-releases/2011/05/poor-standards-of-english-and-maths-among-school-leavers-could-hinder-growth-cbi-edi/31>
 32 UKCES (2015) Catch 16-24: Youth Employment Challenge, 12 February 2015 <https://www.gov.uk/government/collections/ukces-youth-employment-reports>
 33 IPPR (2014) Avoiding the same old mistakes: Lessons for reform of 14-19 education in England, Louise Evans, 9 December 2014 <http://www.ippr.org/publications/avoiding-the-same-old-mistakes-lessons-for-reform-of-14-19-education-in-england>

in vocational and technical learning pathways in the light of evidence that countries which invested in quality in this area tend to be those that keep youth unemployment low. The report points to practice that might be adopted from Australia and the Netherlands rather than the often quoted German examples. The key lessons identified are:

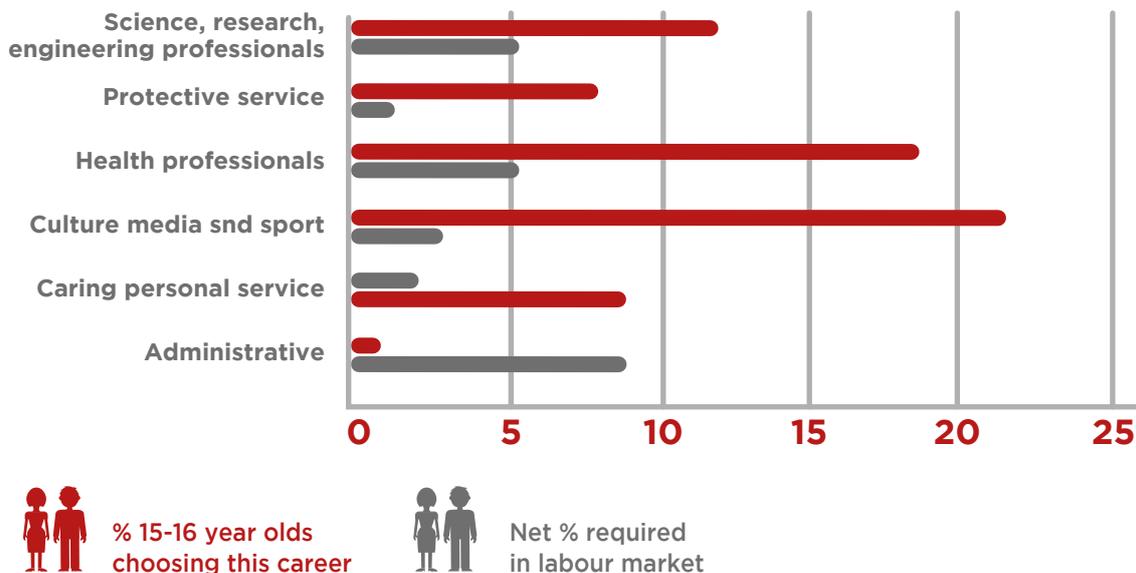
- Focus on stability and clarity of purpose rather than another round of qualifications reform. IPPR argue that it is not the type or content of qualifications that makes the real difference. Instead we need to make sure that we have an effective institutional structure that bridges the relationship between employers and education ensuring that qualifications and skills that are being developed are relevant and in demand.

- Strengthen college and school based vocational education alongside expanded and improved apprenticeships. IPPR point out the high level of comparability in content between college and work based routes which facilitates interchange between the two in successful systems.

Aspirations of young people - a lack of labour market knowledge?

Others believe that gaps and misconceptions in young people's labour market knowledge are just as significant. Research conducted in 2013³⁴ to map the career aspirations of British teenagers against projected labour market demand showed a significant lack of alignment. The career ambitions of just over half of the teenagers lay in three broad occupational

Career aspirations of young people aged 15-16 mapped against projected labour market demand (2010-2020)



Selections adapted from 'Nothing in Common: The Career Aspirations of Young Britons Mapped Against Projected Labour Market Demand 2010-2020

- Foster a strong, stable institutional structure for education and skills development. IPPR point to the success of the Dutch in creating strong intermediary bodies that facilitate employer engagement in the vocational education and training system.

areas: culture, media and sport; health professionals; and business, media and public service professionals. Indeed, 21% of the sample aimed to secure jobs in the culture, media and sport area which are projected to account for just 2.4% of available opportunities. This type of mismatch between ambition and likely

34 Education and Employers Taskforce (2013) Nothing in Common: The Career Aspirations of Young Britons Mapped Against Projected Labour Market Demand 2010-2020
 35 Inclusion (2012)

The biggest barrier is knowing what's out there and translating it to young people.

Richard - Stepney

opportunity does not bode well for smooth school to work transitions. It seems likely that unless teenagers are encouraged to adapt their thinking they are likely to struggle to find work at the end of their learning journey, especially if their profile of qualifications and experience is skewed too specifically towards an area with high levels of competition.

Other research³⁵ reinforces a similar point. In 2010/11 57,000 16-18 year olds achieved qualifications in hair and beauty for just 18,000 jobs advertised, whilst only 44,000 achieved construction qualifications set against 275,000 jobs. Although those doing hairdressing courses gain some good transferable skills, this research concluded that young people are over training in creative and cultural industries, hair and beauty, and hospitality, leisure and travel

I found out through the charities I volunteer for about apprenticeships. I would like to see a more robust and diverse careers service in school.

Alex - Loughton

and tourism. It is also worth noting that the hair and beauty qualifications achieved were predominantly through college based courses rather than apprenticeships.

What isn't clear is how aware young people are of these issues when they embark on their courses. Do they simply lack knowledge of the facts, or do they choose to ignore them in pursuit of what interests them most? A better understanding of this specific issue would help to shape future strategies for information, advice and guidance.

Information advice and guidance

So does a significant part of the problem then lie in labour market knowledge and the more general arrangements for information, advice and guidance? There is now a significant body of research evidence highlighting the deficiencies in the support available to young people, and the lack of useful labour market intelligence is a particular issue. The transfer of responsibility for careers guidance to schools seems, predictably, to have made things worse rather than better. The variable quality, and lack of impartiality, of school based IAG has been a long-standing problem, particularly in 11-18 schools. Information about apprenticeships and vocational options has been shown to be in particularly short supply. Ofsted have consistently identified this as an area of concern³⁶ and have committed to paying more attention to the issue in school inspections.

In an attempt to address these issues, highlighted persistently by the Education Select Committee, the government issued new statutory guidance to schools in April 2014 and March 2015. In late 2014 the government also announced the formation of a new careers and enterprise company for schools with a mission to transform careers and enterprise provision for young people. The intention is that it should broker relationships between employers, schools and colleges so that 12-18 year olds get the inspiration and guidance that they need for success in working life. The core of the model is a network of coordinators sitting at the

³⁶ <https://www.gov.uk/government/news/careers-guidance-in-schools-not-working-well-enough>

working closely together to provide information



to them at vital transition points. As a result some make inappropriate choices which result, at best, in wasted time following the wrong option or, at worst, in disillusionment and a sense that there is nothing that can help them move on. Young people deserve better, and whilst we have focused here on the 700,000 or so that comprise the NEET group at a particular moment in time, many more can be affected if they fail to make optimum choices.

The solutions do not lie exclusively with improved information advice and guidance. Our work has also identified a number of other areas where improvements could be made to help all our young people make successful progress. A full range of recommendations is included in section 3 of this report.

heart of a cluster of 20 schools and acting as a repository of information about local schools and employers. The Careers and Enterprise Company will work closely with the National Careers Service.

It is vital that these interventions start to have a rapid impact: too many young people lack awareness of the full range of options available

'I'd like to see better careers advice in schools in liaison with employers and more on vocational options.'

Hugo - London





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