

**House of Commons Work and Pensions Committee: ‘Employment opportunities for young people’**  
**Written Evidence submitted by ‘The Found Generation’ – 5 September 2016**

**About Us and Introduction**

1. The Found Generation is a cross-party, not for profit campaign group run by young people, on the issue of UK youth unemployment. We were set up in 2012 and our purpose is to campaign on behalf of young people to convince local and national politicians to implement policies to reduce and prevent youth unemployment, in order to prevent a “*lost generation*” of unemployed young people. We also aim to ensure that young people will have a say in suggesting and developing these policies, as it is young people who will be affected by them.
2. Our achievements include successfully campaigning for the creation of an All-Party Parliamentary Group (APPG) on Youth Employment; preparing a detailed cross-party ‘Manifesto for Youth Employment’ before the last general election; providing evidence to the House of Lords Select Committee on Social Mobility and other inquiries; and providing a ‘youth voice’ at various major conferences/debates on youth unemployment. We have also won a number of awards for our campaigning work.
3. We welcome the opportunity to submit evidence to the Committee’s inquiry into ‘Employment opportunities for young people’. The subjects covered and the questions asked by the Committee fit closely with the research, policy proposals and engagement with young people which we have been working on for the past 4 years.
4. We would also welcome an opportunity for one or more of our young volunteers to provide witness evidence to the Committee on our personal experiences and policy proposals. Not only would this be useful to the Committee, it is also crucially important for young people to be properly consulted on policies which affect them, particularly in light of ongoing issues of intergenerational fairness and difficulties in engaging young people with the political process, both of which were highlighted most recently by the EU Referendum result in June.
5. You can find out more about us on our website – <http://www.thefoundgeneration.co.uk> – or follow us on Twitter at [@TheFoundGenUK](https://twitter.com/TheFoundGenUK)

**1. Services for young people**

**To what extent does getting young people into work and supporting them in work require an approach distinct from that of other groups?**

6. In some respects, the approach required to help young people into work, and to support them when they are there, will not necessarily need to differ from the broader approach taken for other groups, or the population generally.
7. However, there does need to be some substantial differences to the approach taken for young people compared to other groups, in the sense that a more specialist, personalised, intensive and comprehensive level of support is needed for young people.
8. There are various reasons why this distinct approach is required. We set out several reasons below.

- a) The youth unemployment rate is consistently much higher than the general unemployment rate. The latest figures from the Office of National Statistics (ONS) published in August 2016<sup>1</sup> suggest that the general unemployment rate for April to June 2016 was 4.9%, compared to a youth unemployment rate of 13.7%. This suggests that despite recent falls in youth unemployment, young people are still two to three times more likely to be unemployed than the rest of the population.
- b) When young people are trying to secure work, they will be trying to make a successful transition from education to work, which is challenging in itself. On top of that they will have much less experience of work; much less time or opportunity to develop workplace skills; and much less understanding of the labour market than older workers. Young people therefore need more support and advice to try and address these challenges.
- c) According to the ACEVO Commission on Youth Unemployment, a prolonged period of youth unemployment can have permanent ‘scarring’ effects on future life chances, even if young people subsequently secure a job and escape unemployment. According to the Commission, prolonged periods of youth unemployment are linked to a greater likelihood of being unemployed later in life, a greater likelihood of lower earnings, a greater likelihood of lasting effects on mental and/or physical health and a greater likelihood of engagement in anti-social or criminal behaviour.<sup>2</sup> Addressing youth unemployment sooner rather than later could help to prevent these scarring effects and would help reduce the costs of youth unemployment to the individual, the economy, society and the Government.
- d) Due to the increasingly important issue of intergenerational unfairness, particularly after the EU Referendum result, there is a growing case for positive action to ensure that younger generations are not put at a disadvantage by Government policy. Indeed we understand that this issue is already being examined by your Committee.

What is the likely impact of the end of the Youth Contract on labour market prospects for young people who are NEET (not in education, employment or training), and is action required to mitigate this impact?

9. Other submissions will be better-placed to address this point in detail. At this point we have only several brief observations to offer:
  - a) There is some evidence to suggest the Youth Contract was not as successful as hoped. For example, an analysis of the Coalition Government’s youth unemployment policies by Professor Paul Gregg in 2014 concluded that: *“the welcome drop in young NEET numbers has primarily been driven by the efforts of schools, FE colleges and LAs, rather than the Youth Contract”*.<sup>3</sup>
  - b) Had the Youth Contract been better designed and implemented, it potentially could have been more successful, for example if there had been a greater element of local

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<sup>1</sup> <http://researchbriefings.parliament.uk/ResearchBriefing/Summary/SN05871> and <http://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/august2016#young-people-in-the-labour-market>

<sup>2</sup> [http://www.learningandwork.org.uk/sites/niace\\_en/files/event\\_downloads/ACEVO\\_report.pdf](http://www.learningandwork.org.uk/sites/niace_en/files/event_downloads/ACEVO_report.pdf)

<sup>3</sup> [http://www.bath.ac.uk/ipr/pdf/policy-briefs/Youth\\_Unemployment.pdf](http://www.bath.ac.uk/ipr/pdf/policy-briefs/Youth_Unemployment.pdf)

management and co-ordination involved. There is evidence to suggest that schemes run by local councils were more successful than the Youth Contract nationally<sup>4</sup>.

- c) Subject to the above, the ending of any initiative like the Youth Contract which supports young people into employment is regrettable, particularly when youth unemployment remains high and when sensible reforms could have been made to the Youth Contract to ensure it was more effective.

Is current mainstream Jobcentre Plus provision adequate to meet the needs of all young people, including NEETs and unemployed graduates?

10. No. Current mainstream Jobcentre Plus provision is inadequate and far too often does not meet the needs of young people.
11. For example, in the summer of 2015 the YMCA conducted a series of focus groups with young people across England on their views on Jobcentre Plus. In their “Safety Net or Springboard?” report<sup>5</sup>, published in September 2015, the YMCA reported that more than 9 in 10 of the young people taking part in the focus groups believed the support they were currently or previously receiving from their job centre was not helping them find employment, and that the overwhelming feelings expressed by the young people were of “frustration” and “dismay” towards Jobcentre Plus.
12. The YMCA report added that: “...rather than preparing and helping young people find work, in many cases the existing job centre arrangements merely dehumanise those who access its services, damaging their confidence and in some cases even setting back their journey into employment...The research shows that young people are not seeing their local job centre as a place they can go to get support finding a job, but simply as a benefit processing office.”<sup>6</sup>
13. When an overwhelming majority (over 90%) of the young people in the YMCA focus groups thought that Jobcentre Plus did not help them find employment, there is no conceivable way that we can describe Jobcentre Plus provision for young people as ‘adequate’.
14. Further, these negative perceptions about Jobcentre Plus are not unique. For example, a poll of unemployed 16-24 year olds for the Local Government Association found that a majority of young people feel that Jobcentre Plus does not tell them anything new (65%), does not provide skills or experience relevant for a job (52%), and does not understand or support their personal circumstances (50%).<sup>7</sup> A number of our young volunteers have also had negative personal experiences of Jobcentre Plus.
15. In the third part of our Manifesto for Youth Employment, published in April 2015, we set out a number of issues with Jobcentre Plus, in particular in respect of young people, and our ideas for addressing these issues. We urge the Committee to read the relevant part of the

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<sup>4</sup> See e.g. <http://www.cypnow.co.uk/cyp/news/1144730/call-for-councils-to-lead-youth-employment-schemes>; [http://www.local.gov.uk/web/guest/economy-and-transport/-/journal\\_content/56/10180/6262713/ARTICLE](http://www.local.gov.uk/web/guest/economy-and-transport/-/journal_content/56/10180/6262713/ARTICLE); [http://www.local.gov.uk/media-releases/-/journal\\_content/56/10180/4104124/NEWS](http://www.local.gov.uk/media-releases/-/journal_content/56/10180/4104124/NEWS) and <http://news.leeds.gov.uk/one-hundred-percent-success-rate-for-youth-contract-programme>

<sup>5</sup> <http://www.ymca.org.uk/research/springboard>

<sup>6</sup> <http://www.ymca.org.uk/research/springboard>

<sup>7</sup> [http://www.local.gov.uk/web/guest/media-releases/-/journal\\_content/56/10180/4051257/NEWS](http://www.local.gov.uk/web/guest/media-releases/-/journal_content/56/10180/4051257/NEWS)

Manifesto in full (“Part 3: Reforming the welfare system to provide more support to unemployed young people”).<sup>8</sup>

16. We would also note that the question refers to “all young people”. In that context, it is important to be aware that, according to the Learning and Work Institute, the latest ONS figures suggest that there were 249,000 unemployed young people in the UK who are not in education and do not claim Jobseeker’s Allowance or Universal Credit. They suggest this amounts to 59.7% of unemployed young people (not counting full-time students).<sup>9</sup>
17. If this is correct, it would suggest that almost 60% of unemployed young people (not counting full-time students) are not receiving any official help from Jobcentre Plus, whether in respect of job search or other areas such as work experience or skills training.
18. This may be for a number of reasons – some young people may not wish to, or need to, or be eligible to, claim Jobseeker’s Allowance (JSA) or Universal Credit, whether because of their financial circumstances, or because they are travelling abroad, taking a career break, considering their options or moving between jobs. However, considering the issues raised above, it is difficult to ignore the possibility that at least some of this figure is accounted for by young people who have had bad experiences with Jobcentre Plus and have been forced off benefits, or who have stayed well clear of it in the first place given its reputation.
19. Regardless of why these unemployed young people are not claiming JSA or Universal Credit, it is difficult to see how current mainstream Jobcentre Plus provision is adequate to meet the needs of “all young people” when the majority of unemployed young people do not appear to be receiving any help from it. There is therefore a clear gap in provision which Jobcentre Plus is not currently able to fill. Further, even if its responsibilities were extended to cover this gap, it is difficult to see how it would be capable of doing this effectively due to the challenges and issues we have already identified.
20. Finally, even if Jobcentre Plus was ‘adequate’, this would still not be enough. Given the importance of the work it does and the level of support which young people need from it, we do not think being ‘adequate’ is a suitable measure for Jobcentre Plus to aim for or to be assessed by, whether by the Committee, the Government or any other body. It should be held to a much higher standard. We only need to consider the standards and grades that schools are assessed against by Ofsted as an example of the sort of high standards that we could and should expect of Jobcentre Plus.

What do employers look for from their younger employees and potential employees, and how can Jobcentre Plus support them in finding this?

21. Other submissions would be better placed to address this question in detail. We would just briefly point out that various surveys of employers<sup>10</sup> suggest that they are likely to look for positive attitudes to work, good literacy and numeracy, and ‘employability’ or ‘soft’ skills among younger employees, and that many employers worry that young people do not have these qualities, to the extent that a substantial proportion of them need to invest in additional training for young employees on key areas like literacy and numeracy. This is

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<sup>8</sup> <http://thefoundgeneration.co.uk/wp-content/uploads/2013/04/The-Found-Generation-Manifesto-for-Youth-Employment-FINAL-16.04.15.pdf> - see pages 34-46

<sup>9</sup> <https://www2.learningandwork.org.uk/statistics/labour/august-2016>

<sup>10</sup> See e.g. <http://www.cbi.org.uk/cbi-prod/assets/File/pdf/cbi-education-and-skills-survey2016.pdf>

backed up by a recent Joseph Rowntree Foundation report which suggested that around 5 million adults lack some or all of the basic reading, writing and numeracy skills which are essential to everyday life and being able to find and secure work, and that a further 12.6 million adults lack basic digital skills<sup>11</sup>.

## **2. Jobcentre Plus Support for Schools**

How effective is Jobcentre Plus Support for Schools likely to be in enhancing young people's career prospects?

22. We believe it is too early to give a proper view on how effective this scheme will be or is likely to be. However, our initial thoughts are that:

- a) There is, in theory at least, a potential case for this initiative. If properly implemented and managed, this could play a role in helping to plug at least some of the glaring gaps in provision for young people in schools, particularly in respect of areas such as careers advice; work experience; information about apprenticeships and traineeships; and information about the local and national labour market. In particular we understand that the programme will be primarily aimed at young people who are at risk of becoming unemployed/NEET, which could be important as these young people will have the greatest need of extra support<sup>12</sup>. It could also help Jobcentre Plus to better understand young people, the challenges they face and the support they may need from Jobcentre Plus if they are unemployed. Further, we understand that there is a successful example of a similar scheme in Wolfsburg in Germany<sup>13</sup>.
- b) However, as we have set out above, there are many problems with Jobcentre Plus and the way it operates, particularly for young people. Given these problems it seems unwise to divert Jobcentre Plus advisers to schools when they could be focusing on improving Jobcentre Plus itself and when the impact of a negative experience of Jobcentre Plus advisers could be very serious for a young person at school.
- c) Even if these problems did not exist, we are sceptical that this initiative would do a better job than properly funded, trained, resourced, and dedicated careers advisers would do.
- d) Even if it is as successful as the Government hopes (which we expect is unlikely), we are sceptical that this initiative will be enough on its own to deal with all of the gaps that we have identified above, particularly as it appears to be specifically intended only for those at clear risk of being unemployed/NEET, rather than for all students<sup>14</sup>. The Government will need to do much more to fix the many gaps in school provision for preparing young people for the workplace and adult life. In the second part of our Manifesto for Youth Employment ("Part 2: Reforming the education system to prepare all young people for employment or self-employment"), we set out a range

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<sup>11</sup> <https://www.jrf.org.uk/press/5-million-adults-lack-basic-literacy-and-numeracy-skills>

<sup>12</sup> <http://www.cypnow.co.uk/cyp/news/1154651/jobcentre-plus-to-launch-in-all-schools-by-march-2017>

<sup>13</sup> See e.g. <http://www.parliament.uk/business/publications/hansard/commons/this-weeks-public-bill-general-committee-debates/read/?date=2013-06-10&itemId=418>

<sup>14</sup> <http://www.cypnow.co.uk/cyp/news/1154651/jobcentre-plus-to-launch-in-all-schools-by-march-2017>

of detailed policy proposals which the Government could take to address these issues<sup>15</sup>.

23. On the particular point of careers advice, countless reports in recent years have identified serious problems with the lack of careers advice available for young people. We do not intend to cite all of these or cover old ground, but we do believe it would benefit the Committee to briefly cite a few recent surveys of young people which highlight the scale of the problem and illustrate why Jobcentre Plus support cannot possibly fix this problem on its own:

- According to a survey of over 3,000 14-19 year olds by City and Guilds, those surveyed were aware of less than 20% of job types available<sup>16</sup>.
- Over half of this year's university applicants picked their A-Levels and sixth form subjects without considering their future prospects, suggests a poll of over 1,000 18 and 19 year olds Which?<sup>17</sup>
- According to a poll for recruitment platform GetMyFirstJob, only 21% of students said they felt supported by their school or college to investigate apprenticeship options and only 10% had been told about traineeships. Further, 98% of students between the ages of 17 and 18 felt that their school or college should have put more effort into assisting young people into employment.<sup>18</sup>
- A survey of almost 2,000 students at University Technical Colleges found that 91% of students felt that talks by employers and work experience were the most useful source of careers information to help them plan their future careers, while 90% felt that visits to workplaces were the most useful.<sup>19</sup>

Are there any areas of potential tension between Jobcentre Plus advisors in schools and current school career advice provision, and if so, how could these be overcome?

24. Other submissions will be better placed to make detailed submissions on this point. However we would briefly note that in our view there are a number of areas of potential tension and that it is difficult to see how these could be overcome. For example, since evidence suggests the majority of employers do not engage with Jobcentre Plus, advisers may struggle to present a full picture of the local labour market to students.

How can DWP ensure that schools engage with the initiative, and how should its impact be monitored?

25. Other submissions will be better placed to make detailed submissions on this point. However we would briefly note that asking those involved in the scheme – such as young people, teachers and Jobcentre Plus advisers – their views on the initiative should be a key element of any assessment of, or monitoring of, its impact.

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<sup>15</sup> <http://thefoundgeneration.co.uk/wp-content/uploads/2013/04/The-Found-Generation-Manifesto-for-Youth-Employment-FINAL-16.04.15.pdf> - see pages 17-33

<sup>16</sup> <http://www.cityandguilds.com/apprenticeships/news-events/great-expectations> and <http://www.cityandguilds.com/news/August-2016/careers-advice-postcode-lottery-impacts-futures-of-millions-of-uk-teens>

<sup>17</sup> <http://www.bbc.co.uk/news/education-37098558>

<sup>18</sup> <http://www.hrmagazine.co.uk/article-details/students-want-more-employment-assistance>

<sup>19</sup> <https://www.tes.com/news/further-education/breaking-news/employer-contact-most-useful-form-careers-advice-say-nine-10>

### **3. Support beyond Jobcentre Plus**

How can Jobcentre Plus services for young people be more effectively integrated with other local services, especially around education and skills?

26. There are a number of ways in which Jobcentre Plus can be more effectively integrated with, or contribute to, local services. We intend to explore one particular model here – that of working with local partnerships of various organisations such as local councils, educational institutions and employers which are focused on tackling youth unemployment.
27. There are two particular case studies which we would like to cite to the Committee, both of which have been considered in more detail in our other publications<sup>20</sup>.
28. The first is the Norwich for Jobs<sup>21</sup> campaign. Launched in 2013 and chaired by Chloe Smith MP, this is a voluntary project which aims to reduce youth unemployment in Norwich. The regional Jobcentre Plus are heavily involved with the campaign and sit on the Steering Group, and the campaign works closely with a number of other partners and supporters including City College Norwich; Norfolk County Council; Norwich City Council; Norfolk Chamber of Commerce; the Eastern Daily Press and Norwich Evening News; the Federation of Small Businesses and the Prince's Trust – as well as numerous local employers<sup>22</sup>. It also has a Young Persons Panel<sup>23</sup>, allowing young people a direct input into the activities of the campaign's Employers Panel and Steering Group. This campaign appears to have already achieved its initial goal of halving youth unemployment in Norwich in two years.<sup>24</sup>
29. The second is the 'MyGo Centre'<sup>25</sup> in Ipswich, which is apparently the first ever dedicated youth employment centre in the UK<sup>26</sup>. MyGo is funded through the Greater Ipswich Youth Guarantee, which is part of the Greater Ipswich City Deal<sup>27</sup> and is connected with various organisations including the New Anglia Local Enterprise Partnership, Jobcentre Plus, local businesses and local councils. The MyGo centre offers practical advice & guidance, skills and training support and connections with local employers for all young people in Suffolk aged 16-24, in a modern, supportive environment. MyGo aims to halve youth unemployment in the Greater Ipswich area within 2 years and they are also expanding their services beyond Ipswich into rural and urban areas across Suffolk as well as finding ways of allowing young people to access MyGo services without having to travel, for example through the use of tablet software.
30. This sort of initiative is a fantastic example not just of how Jobcentre Plus can engage with other local services, but also how they can work with and assist young people more widely, as the MyGo centre offers advice to unemployed young people who are not claiming JSA or Universal Credit, and also offers advice and support to young people who may be in full-time

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<sup>20</sup> <http://thefoundgeneration.co.uk/our-publications/>

<sup>21</sup> <http://www.norwichforjobs.org.uk/>

<sup>22</sup> <http://www.norwichforjobs.org.uk/employer-pledge> and <http://www.norwichforjobs.org.uk/supporters>

<sup>23</sup> <http://www.norwichforjobs.org.uk/young-person-panel>

<sup>24</sup> <http://www.norwichforjobs.org.uk/progress>

<sup>25</sup> <http://www.its-mygo.co.uk>

<sup>26</sup> <http://www.newanglia.co.uk/2014/10/07/uks-first-youth-employment-centre-opening-soon/> and <http://www.thesource.me.uk/home/latest-news-and-views/mygo-youth-employment-centre-in-ipswich-is-now-open/>

<sup>27</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/253854/Greater\\_Ipswich\\_Deal\\_Document\\_WEB\\_VERSION\\_301029.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/253854/Greater_Ipswich_Deal_Document_WEB_VERSION_301029.pdf)

education or already employed, but who want help from the centre anyway to find work, to progress in their career or consider their career options.

31. We have previously recommended expansion of initiatives of this nature to other parts of the country by calling on the Government to set up a network of youth employment centres and local youth employment partnerships across the country (both with representation of young people in their management), particularly in areas of high youth unemployment. These proposals are covered in our Manifesto<sup>28</sup>. We also set out a more detailed case for the creation of local partnerships like Norwich for Jobs in one of our earlier reports, 'Practical Solutions to UK Youth Unemployment'<sup>29</sup>, including several case studies.

What broader measures, especially those aimed at employers, should the Government prioritise to improve the employment rates of young people?

32. We have already drawn the Committee's attention to some parts of our Manifesto and Practical Solutions report. Both documents contain a number of evidence-based policy proposals which would help to improve the employment rates of young people.<sup>30</sup>
33. With regard to measures aimed particularly at employers, we would draw the Committee's attention to the first part of our Manifesto ("Part 1: Creating more employment, self-employment, apprenticeship and work experience opportunities for young people").<sup>31</sup> The measures set out there include:
- Providing additional financial and non-financial support for young people to set up a business or social enterprise (for example by refocusing StartUp Loans to its initial mission of supporting young entrepreneurs and considering a similar scheme for social enterprises)
  - Offering more generous financial grants and other support to SMEs for hiring young apprentices (for example by amending the Apprenticeship Grant for Employers scheme to provide for more generous grants for SMEs to hire young apprentices in areas of high youth unemployment, similar to the more generous scheme offered to SMEs in London)
  - Taking further steps to improve the reputation and brand of apprenticeships
  - Reducing the financial costs to employers of hiring young people (for example by exempting employers from paying National Insurance contributions for any young people they hire under the age of 25, rather than restricting the exemption to young apprentices)
  - Expanding the use of public sector procurement to create more jobs and other opportunities for young people in public sector contracts

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<sup>28</sup> <http://thefoundgeneration.co.uk/wp-content/uploads/2013/04/The-Found-Generation-Manifesto-for-Youth-Employment-FINAL-16.04.15.pdf> - see pages 45-46 and page 50

<sup>29</sup> <http://thefoundgeneration.co.uk/wp-content/uploads/2013/04/The-Found-Generation-Practical-Solutions-to-Youth-Unemployment-FINAL.pdf> - see pages 26-34

<sup>30</sup> <http://thefoundgeneration.co.uk/our-publications/>

<sup>31</sup> <http://thefoundgeneration.co.uk/wp-content/uploads/2013/04/The-Found-Generation-Manifesto-for-Youth-Employment-FINAL-16.04.15.pdf> - see pages 4-16

- Creating or backing a nationally recognisable 'kitemark' for "youth friendly" employers (such as the Youth Friendly Badge/Charter set up by the Youth Employment UK campaign)

#### **4. Longer-term labour market prospects**

How do changes in job quality and availability since the crisis affect young people? How is the decision to exempt young people from the National Living Wage affecting their experiences of employment?

34. Other submissions will be better placed to make submissions on this point.

What is likely to be the impact of any forthcoming economic uncertainty on young people, and how should the Government best seek to protect them from this?

35. It is too early to draw any firm conclusions as to whether there is or will be any prolonged or serious economic uncertainty or decline in the near future, or if so how this will affect young people. However we would note that if there is a substantial economic downturn, this is likely to have a significant effect on young people. For illustration we only need to look at the economic crisis a few years ago and to consider how much the youth unemployment rate rose by during that period.
36. To protect young people from any such economic downturn, the Government could seek to protect them by implementing some of the policies which we have referred to in this evidence and which we have recommended in our publications.
37. One such policy which we would particularly highlight is our recommendation for the creation of some sort of "Minister for Youth Employment" and cross-government unit on youth unemployment (including mechanisms to consult young people) in order to help the Government better co-ordinate and develop Government policy on youth unemployment.<sup>32</sup> Such a structural change would also give a stronger voice to young people within Government on key areas such as negotiations with the EU.

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<sup>32</sup> See <http://thefoundgeneration.co.uk/wp-content/uploads/2013/04/The-Found-Generation-Manifesto-for-Youth-Employment-FINAL-16.04.15.pdf> at pages 48-49; and <http://thefoundgeneration.co.uk/wp-content/uploads/2013/04/The-Found-Generation-Practical-Solutions-to-Youth-Unemployment-FINAL.pdf> at pages 19-25