

Introduction

1. The National Foundation for Educational Research (NFER) is the leading independent provider of education research and insights in the UK.
2. NFER welcomes the opportunity to submit written evidence to the House of Lords Inquiry into Youth Unemployment. In doing this, we are pleased to contribute to thinking in this priority policy area which seeks to enable and support young people to make successful transitions from education to employment. In addressing three of the questions listed in the Call for Evidence, this submission draws on up-to-date research evidence.

Q1. What are the main challenges facing young people seeking employment today? How do structural factors impact youth unemployment, and how might these be addressed?

3. Young people aged 16 to 24 seeking employment have been significantly affected by the economic downturn resulting from the Covid-19 pandemic. The impact on young people has been severe because they tend to work in sectors such as accommodation, catering and hospitality, leisure (arts, entertainment and recreation), and retail and wholesale which have been more adversely affected by the pandemic than other sectors.
4. The Covid-19 pandemic has impacted more on younger than older generations. Young people's sector employment concentration and less secure work compared with older workers have made them more vulnerable to the effects of the recent disruption of the labour market (Wilson and Papoutsaki, 2021).¹ As a result, young people have been more likely than older workers to have their working hours and/or pay reduced, be furloughed or lose their job (Henehan, 2021)².
5. The unemployment rate for young people aged 16-24 increased by 3.1 percentage points to 14.4 per cent between October-December 2019 and October- December 2020. In contrast, the corresponding unemployment rates for older workers were 3.8 per cent (25-49

¹ Wilson, T., and Papoutsaki, D. (2021). An Unequal Crisis: The impact of the pandemic on the youth labour market. <https://www.employment-studies.co.uk/system/files/resources/files/An%20Unequal%20Crisis%20The%20impact%20of%20the%20pandemic%20on%20the%20youth%20labour%20market.pdf>

² Henehan, K. (2021). Uneven steps. Changes in youth unemployment and study since the onset of Covid-19. <https://www.resolutionfoundation.org/app/uploads/2021/04/Uneven-steps.pdf>

years) and 4.1 per cent (50-64 years) (ONS, Feb, 2021)³. The ONS (April, 2021)⁴ reported that of the 813,000 decrease in payrolled employees since March 2020, 436,000 (53.7 per cent) were aged under 25 and 355,000 of the decrease can be attributed to employees working in the accommodation and food activities sectors in which many young people usually work.

6. The impact of Covid-19 has been unequal within the 16-24 age group. Black and Asian young people have seen the most marked falls in employment (Wilson and Papoutsaki, 2021)⁵. Those with low or no qualifications have been impacted more acutely than other groups of young people in terms of reduction in hours worked (Learning and Work Institute, 2021)⁶ and unemployment (Henehan, 2021)⁷.

7. Young people today are seeking employment in a labour market disrupted by the Covid-19 pandemic which makes it more challenging for them to gain a job or an apprenticeship. To date, there is a slow recovery in the sectors that young people traditionally work in. In addition, the prospects for young people taking up an apprenticeship are bleak and were already in decline before the pandemic which has exacerbated the decline in availability of apprenticeships, especially Intermediate (Level 2) and Advanced (Level 3), the traditional entry points for young people. In 2020/21, there were 38,000 apprenticeship starts by young people under 19, a reduction from 58,100 in 2019/20 and 66,000 in 2018/19. The corresponding figures for apprenticeship starts by young people aged 19-24 were 46,700 in 2020/21, 58,300 in 2019/20 and 63,500 in 2018/19 (ONS, April 2021)⁸. The number of Intermediate apprenticeships (Level 2) starts almost halved from 2018/19 to 2020/21 falling

³ ONS (2021). Employment in the UK: February 2021.

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/employmentintheuk/february2021>

⁴ ONS (2021). Labour market overview, UK: April 2021.

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/april2021#main-points>

⁵ Wilson, T., and Papoutsaki, D. (2021). An Unequal Crisis: The impact of the pandemic on the youth labour market. <https://www.employment-studies.co.uk/system/files/resources/files/An%20Unequal%20Crisis%20The%20impact%20of%20the%20pandemic%20on%20the%20youth%20labour%20market.pdf>

⁶ Learning and Work Institute (2021). Facing the future. Employment prospects for young people after Coronavirus. https://learningandwork.org.uk/wp-content/uploads/2021/04/Facing-the-future-employment-prospects-for-young-people-after-Coronavirus_update.pdf

⁷ Henehan, K. (2021). Uneven steps. Changes in youth unemployment and study since the onset of Covid-19. <https://www.resolutionfoundation.org/app/uploads/2021/04/Uneven-steps.pdf>

⁸ ONS (2021). Apprenticeships and traineeships. April 2021 <https://explore-education-statistics.service.gov.uk/find-statistics/apprenticeships-and-traineeships/2020-21>

from 80,900 to 41,500, and Advanced apprenticeship (Level 3) starts dropped significantly from 94,100 to 69,100 in the same time period (ONS, April 2021)⁹.

8. Action is urgently required to address youth unemployment in the UK for two main reasons. First, if action is not taken there is a serious risk of there being a lost generation of young people whose future is blighted by lack of opportunities to make successful transitions to fulfilling and meaningful lives. The scarring effect of unemployment can have psychological, social and economic consequences for the individual and negative social and economic outcomes for society and the economy. Second, the post-pandemic industrial, business and economic recovery which could take several years will require a pipeline of talent to meet the forthcoming demand for knowledge and skills. Ensuring young people are valued as a key resource included in rebuilding the economy and have a stake in the emerging post-Covid-19 UK would be the optimum solution for individuals and the nation.

9. A key driver in the strategy to address youth unemployment should be stimulation of the growth of the apprenticeship system, with a particular focus on increasing the number of Intermediate (Level 2) and Advanced (Level 3) apprenticeships. This requires a re-assessment of the current apprenticeship funding system. Allied to this, further steps are needed to reduce the structural barriers faced by small and medium-sized employers (SMEs) looking to recruit apprentices, such as the administrative burden and the 20% off-the-job training requirement. This has the potential to create many more opportunities for young people and reduce regional inequalities in access to opportunities.

10. The strategic approach we recommend should also review the effectiveness of, and improve and extend, where necessary, the range of employment support and training interventions which aim to help young people to gain the confidence, skills and workplace experience which will enable them to progress to employment. These include the Youth Offer (Youth Employment Programme, Youth Hubs and Youth Employability Coaches), Kickstart and Traineeships. More coordinated rather than piecemeal support is required which has stronger links to the labour market guaranteeing that young people avoid unemployment and progress to worthwhile employment and contribute to the post-pandemic recovery.

Q5. Does the national curriculum equip young people with the right knowledge and skills to find secure jobs and careers? What changes may be needed to ensure this is the case in the future?

11. The CBI/Pearson (2019)¹⁰ annual survey reported that employers want a broad and balanced education system that equips young people with the character, knowledge and skills that are needed to adapt to and flourish in the changing labour market which increasingly requires workers who are creative, original thinkers, problem-solvers and have the ability to learn. When recruiting school and college leavers, the key attributes and skills that employers look for are: wider character, behaviours and attributes; literacy and

⁹ ONS (2021). Apprenticeships and traineeships. April 2021 <https://explore-education-statistics.service.gov.uk/find-statistics/apprenticeships-and-traineeships/2020-21>

¹⁰ CBI/Pearson (2019). Education and learning for the modern world: CBI/Pearson Education and Skills Survey report 2019. https://www.cbi.org.uk/media/3841/12546_tess_2019.pdf

numeracy skills; relevant work experience; and academic results and qualifications. In addition, the finding by Pearson's Global Learning Survey (2019)¹¹ that 80 per cent of young people aged 16-24 choose a course based on whether it will enable them to get a job indicates that most young people seek an education which will help them to progress to employment.

12. Further clarification of the knowledge and skills required for young people to find secure jobs and careers was provided by Kashefpakdel *et al.* (2018)¹² whose *Joint Dialogue: How are schools developing real employability skills?* identified the following eight employability skills and four competencies most frequently cited by employers:

employability skills: problem-solving, communication, self-management, teamwork, creativity, numeracy, digital skills and informed (career development skills)

competencies: confidence, drive, resilience and reflection.

13. The majority of the teachers surveyed by Kashefpakdel *et al.*, (2018) considered that pupils are to some extent developing most of the employability skills and competencies through classwork and extra-curricular activities. While teachers pointed out that they used lessons outside of subject areas, such as tutor time, to help pupils find information about the world of work and to enhance their communication skills, they also noted sourcing sufficient time and resources for this purpose was sometimes a challenge.

14. However, significant proportions of the teachers surveyed by Kashefpakdel *et al.*, (2018) thought that the Key Stage 3 National Curriculum introduced in 2014 had reduced opportunities for pupils to develop teamworking skills (61 per cent); to acquire creative thinking skills (56 per cent); to develop employability skills and competencies (47 per cent); and to develop their career development skills (45 per cent).

15. Policymakers should review how well the current provision for preparing young people for employment meets the needs of those young people, and to examine how it could be refreshed and made more imaginative, innovative and responsive to preparing young people with the range of knowledge and skills which will enable them to progress successfully to employment, which is a key aspect of becoming an effective and productive citizen.

16. There may be merit in looking at some of the features of the education provided by University Technical Colleges (UTCs). For example, McCrone *et al.*, (2019)¹³ reported that, where project-based learning and employer input are delivered in a high-quality embedded way, this can enhance young people's levels of confidence, motivation and engagement in their education, and help to develop their work-readiness and technical skills. Having access to industry professionals and working with employers on a variety of projects informed

¹¹ Pearson (2019). The Global Learner Survey. https://www.pearson.com/content/dam/global-store/global/resources/Pearson_Global_Learner_Survey_2019.pdf

¹² Kashefpakdel, E., Newton, O., and Clark, J. (2018). Joint Dialogue: How are schools developing real employability skills? <https://www.educationandemployers.org/research/joint-dialogue/>

¹³ McCrone, T., White, R., Kettlewell, K., Sims, D. and Rush, C. (2019). *Evaluation of University Technical Colleges*. https://www.nfer.ac.uk/media/3333/evaluation_of_university_technical_colleges.pdf

students' decision-making about their destinations and future careers. The students participating in this research recognised that project work and employer engagement benefited their academic and technical learning and the development of their work-ready skills. They were aware that they were acquiring appropriate workplace behaviour, communication and interpersonal skills, and developing their problem-solving skills as well as gaining industry-relevant knowledge and skills. Students were also aware that the skills they were acquiring were transferable and could be used to support job, apprenticeship and university applications.

17. National Curriculum reform might also benefit from examining other real-world learning innovations. A report by Edge (2019)¹⁴ showed examples of the approaches that two schools have been taking which could provide wider learning of what works, even if the model wouldn't translate literally in all cases.

Q6. Is careers education preparing young people with the knowledge to explore the range of opportunities available? What role does work experience play in this regard?

18. Careers education is not preparing young people with the knowledge to explore the range of education, training and employment opportunities available. Recent policy approaches to upgrade and strengthen careers education, advice and guidance have not yet achieved better provision. Moote and Archer (2017)¹⁵, who found in their research that there was strong demand from young people for 'more and better' careers education, concluded that some schools were failing to meet the statutory requirement to provide impartial careers advice to all pupils.

19. The government's Careers Strategy (DfE, 2017)¹⁶ set out the vision for improving careers education and guidance in England which was based on achieving careers provision that helps young people 'to understand the range of opportunities available to them in today's economy and acquire the skills and qualifications they need to succeed in the workplaces of the future'. The aims of the Careers Strategy were:

- 'all young people to understand the full range of opportunities available to them, to learn from employers about work and the skills that are valued in the workplace and to have first-hand experience of the workplace
- all young people in secondary school and college to get an excellent programme of advice and guidance that is delivered by individuals with the right skills and experience'.

¹⁴ Edge (2019). School 21 and XP: Real-world learning.

<https://www.edge.co.uk/news-and-events/news/real-world-learning-school-21-and-xp/>

¹⁵ Moote, J., and Archer, L. (2017). Failing to deliver? Exploring the current status of career education provision in England. <https://www.tandfonline.com/doi/full/10.1080/02671522.2016.1271005>

¹⁶ Department for Education (2017). Careers strategy: making the most of everyone's skills and talents. <https://www.gov.uk/government/publications/careers-strategy-making-the-most-of-everyones-skills-and-talents>

20. The Careers Strategy and statutory guidance made the role of Careers Leader a requirement for schools and colleges. It was expected that this role would drive and coordinate careers education and guidance. Another important change was the Baker clause (amendment to the Technical and Education Act, 2017) which stated that schools must let colleges, apprenticeship providers and University Technical Colleges (UTCs) talk to their pupils in Years 8 -13 about potential education and training routes. However, in reviewing the Baker clause one year on, Hochlaf and Dromey (2019)¹⁷ found that compliance with the Baker clause was limited, with technical education providers still finding it difficult to access schools to inform young people of their options, showing that it shouldn't be relied upon as a mechanism to improve CIAG.

21. In practice the Careers Strategy has had limited impact. For example, the CBI/Pearson (2019)¹⁸ annual survey of employers identified the main drivers of skills gaps which included poor careers advice aligned to industrial sectors, a lack of awareness among young people about routes into work, and a lack of young people's work-readiness, skills and behaviours. It is also worth noting the findings of some studies which have revealed the impact that teachers' lack of knowledge of the range of post-16 options can have on students. In their study on teenage apprenticeships, Kashfepakdel and Rehill (2018)¹⁹ noted that 'teachers lack confidence and experience in promoting apprenticeships, leaving young people with advice that often focuses on university'. Hooley, Watts and Andrews (2015)²⁰ observed that many teachers have good insights about UCAS processes but less experience of vocational routes. In addition, a study by Watermeyer *et al.* (2016)²¹ noted that teachers' informal advice to students can be narrow and lacking objectivity, due to their lack of employment experience outside of teaching and lack of up-to-date information.

22. The Careers and Enterprise Company (2020)²² reported that progress was being made by schools and colleges towards implementing the Gatsby benchmarks (international standards of high-quality careers provision) moving from achieving 1.87 to 3.75 of the eight benchmarks. A majority (73 per cent) of school and college leaders surveyed considered that careers guidance for young people was even more important owing to Covid-19 which has disrupted their education and transition to further education, training and employment opportunities.

¹⁷ Hochlaf, D. and Dromey, J. (2019). The Baker clause: One year on (Briefing II). <https://www.ippr.org/files/2019-01/the-baker-clause-one-year-on-january19.pdf>

¹⁸ CBI/Pearson (2019). Education and learning for the modern world: CBI/Pearson Education and Skills Survey report 2019. https://www.cbi.org.uk/media/3841/12546_tess_2019.pdf

¹⁹ Kashfepakdel, E. and Rehill, J. (2018). *Teenage Apprenticeships Converting Awareness to Recruitment*. <https://www.educationandemployers.org/wp-content/uploads/2018/03/CET-Apprenticeship-Report-FINAL-1a.pdf>

²⁰ Hooley, T., Watts, A.G. and Andrews, D. (2015). *Teachers and Careers: The Role of School Teachers in Delivering Careers and Employability Learning*.

<http://www.st-leonards.durham.sch.uk/wp-content/uploads/2019/01/Teachers-And-Careers-January-2019.pdf>

²¹ Watermeyer, R., Morton, P. and Collins, J. (2016). 'Rationalising "for" and "against" a policy of school-led careers guidance in STEM in the U.K.: a teacher perspective', *International Journal of Science Education*, 38, 9.

²² Careers and Enterprise Company (2020). *Careers Education in England's schools and colleges 2020. Working together for young people's futures*. https://www.careersandenterprise.co.uk/sites/default/files/uploaded/1244_careers_ed_2020_report18_0.pdf

23. Better careers provision is an aim of the government's *Skills for Jobs White Paper* (2021)²³ which wants careers education and guidance 'embedded in the life of every school and college'. It pledges to work with the education sector and business 'to develop a shared approach to careers education that will support young people to understand the modern workplace and develop the career management skills and attributes they need to compete in today's labour market'. The changes the White Paper is committed to include extending careers education to Year 7 pupils; taking tougher formal action against school/college non-compliance with the Baker clause; building in careers awareness into the professional development of the teaching profession to support a whole-school approach to careers education provision; and improving the national and local alignment between the work of the Careers and Enterprise Company and the National Careers Service 'to create a clear, all-age careers system' (Sir John Holman is currently working on this).

24. Tracking the extent to which the White Paper achieves a much-needed overhaul in careers education, advice and guidance for young people will be important. Ofsted's thematic review of careers guidance in schools and colleges will contribute to this process.

25. Work experience has been part of careers provision in schools and colleges for many years. Work placements give young people direct access and exposure to workplace behaviour expectations and skills. A notable reform was introduced by the coalition government in 2011 when work experience was made no longer mandatory for 14-16 year-olds and, as a result, the number of young people who have had experience in the workplace has fallen (Hughes *et al.*, 2016)²⁴. The responsibility now lies with schools to decide which companies to work with, if at all, and what activities to offer pupils to prepare for the world of work. Work experience provision differs from school to school. NatCen and SQW (2017)²⁵ found variability in schools' and colleges' work-related activities, including work placements, which varied in terms of: their purpose, whether related to employability or technical skills; the ways in which they were arranged and organised; and the extent to which feedback from placements was used both to support individual pupils' development and the ongoing strategic development of work experience programmes.

26. The available evidence suggests that schools and colleges should be given a stronger steer from government to ensure the provision of a more consistent and coherent high-quality work experience offer to young people. This could also include examples of effective

²³ Department for Education (2021). *Skills for Jobs: Lifelong Learning for Opportunity and Growth*. CP338.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/957856/Skills_for_jobs_lifelong_learning_for_opportunity_and_growth_web_version.pdf

²⁴ Hughes, D., Mann, A., Barnes, S-A., Baldauf, B., and McKeown, R. (2016). *Careers education: International literature review*. <https://www.educationandemployers.org/wp-content/uploads/2016/07/Careers-review.pdf>

²⁵ NatCen Social Research and SQW (2017). *Work experience and related activities in schools and colleges*. Research report. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/601373/Work_experience_and_related_activities_in_schools_and_colleges.pdf

work experience provided virtually in response to the restrictions on in-person visits to workplaces during the pandemic.

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