Evaluation of Measurement Options for those Aged 16-19 Not in Employment, Education or Training (NEET)
EVALUATION OF MEASUREMENT OPTIONS FOR THOSE AGED 16-19 NOT IN EMPLOYMENT, EDUCATION OR TRAINING (NEET)

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Background to study
1. The NEET group has high policy salience, not only due to the current problems faced by these young people but also the negative impact of inactivity on their labour market futures.

2. It is known from research that it is a very diverse group. It is important to find more accurate ways of measuring both the size of the group, and of the different populations that make it up.

3. The study focused on alternative measures and assessing these against the criteria of overall accuracy, capacity for geographical disaggregation and by group or type of young person, and timeliness.

4. The alternative measures considered were:
   - the Annual Population Survey (APS);
   - a combination of the School Leaver Destinations Survey and data on 18-19 year olds on Department for Work and Pensions (DWP) benefits;
   - the difference between the size of the total population aged 16-19 and the numbers known to be in education, employment and training;
   - an administrative database, similar to the English CCIS database, building on Careers Scotland’s Insight database.

Conclusions and recommendations
5. In making recommendations, these were organised around the three tasks for which good quality data are required.
   - Monitoring changes over time in the numbers in the NEET group at the Scotland level.
   - Monitoring changes over time in the numbers in the NEET group by locality.
   - Analysing the characteristics of the NEET group to help design more effective interventions and allocate resources to deal with the problem on a rational basis.

6. In relation to monitoring changes over time at the Scottish level, the recommendations are as follows.
   - Use the APS to generate estimates for the total number in the NEET group at a point in time.
   - Employ the DWP/School Leaver Destinations Survey data as a check on the changes in the size of the NEET group over time, backed up by the APS.

7. To monitor changes over time in the NEET group by locality, the following methods are most appropriate.
   - While recognising this is restricted to only one month per year, the DWP benefits data and the School Leaver Destinations Survey provide the only reasonably accurate measure for assessing change on an annual basis.
   - A quarterly proxy for changes in the size of the NEET group by localities can be generated through the DWP data on 18-19 year olds.

8. To identify the characteristics of the NEET group and how these change over time, the following recommendations are made.
The focus should be largely on the APS, while recognising that this can be done only at the Scottish level.

More limited analysis can be carried out by local authority area using the DWP benefits dataset where the segmentation of client group is by gender, duration of claim, presence of dependent children and type of benefit.

Overview of appropriate NEET measures
The broad conclusions of the review are as follows.

- The proposed administrative database constructed around Insight is the far superior option in relation to all the required tasks where measurement of the NEET group is required.

- Although this will probably be a costly option, the cost is mitigated insofar as the Insight-based approach will be a by-product of a client management system which is an essential tool for Careers Scotland staff.

- In the interim, careful use of the APS and the DWP benefits data/School Leaver Destinations Survey, deployed in tandem, can help monitor and analyse the NEET group over time and by locality.
CHAPTER ONE: INTRODUCTION AND BRIEF

Introduction

The Not in Education, Employment or Training (NEET) group have high policy salience for the Scottish Executive. The 16-19 year olds who find themselves in the group clearly face problems in the current time period, but there are more deep-seated concerns that a young person in this group has a high probability of a range of very negative social and economic outcomes throughout their life thereafter.

One of the difficulties is measuring the size of this group. However, it is known from a wide range of research work that it is a very diverse group, including youngsters who are severely disadvantaged in a variety of ways, but also those who are simply in a transitional position with no particular difficulties - so the characteristics of the members of the group are also important. Therefore, in measuring the group it is important to find the best way of capturing the size and the profile of the group, at both national and local levels.

Study aims and objectives

The principal aim of the research is to look at the options for measuring the NEET group at the national and local levels. These options require to be considered from the points of view of:

- statistical reliability;
- the value of the measures in relation to targeting resources and efforts;
- the role of the measures in monitoring interventions;
- the cost of collecting data to populate the measures;
- the frequency with which measures can be taken;
- the timescale required to set up new data collection if this is required.

The study is organised around a number of key objectives, as follows.

- To consider the measures of the NEET group as specified in the Brief.
- To consider other possible approaches to measuring the NEET group not specified in the Brief.
- To evaluate the strengths and weaknesses of the various approaches to measurement against the criteria set out under the aim specified above.
- To provide a recommendation on the most appropriate measure.

The report

The report is structured in the following way:

- Chapter 2: How Other Countries Measure the NEET Group
- Chapter 3: Describing Main Measurement Options
- Chapter 4: Alternative Measurement Options
- Chapter 5: Pros and Cons of Measurement Options
- Chapter 6: Comparison Against 2001 Census
- Chapter 7: Conclusions and Recommendations
CHAPTER TWO: HOW OTHER COUNTRIES MEASURE THE NEET GROUP

Introduction
Although the NEET classification was first used in the United Kingdom, its use is spreading to other countries. Most OECD countries measure NEET (or youth inactivity) using their respective Labour Force Surveys (OECD, 2005). This study did not involve a comprehensive review of how other countries measure the NEET group, but there are some pointers below.

New Zealand
New Zealand defines the NEET group similarly to Scotland, although their age group is broader at 15-19 years old. The Ministry of Social Development uses the Household Labour Force Survey, Census, Ministry of Education school leaver statistics and other cross-sectional and longitudinal measures to estimate the size of the NEET group. In addition, they acknowledge that collecting data on youth inactivity is problematic and there are inconsistencies between data sources (Hill, 2003).

Japan
Only in recent years has Japan started looking at the NEET population. Their approach to measuring the extent of the NEET problem is less transferable to Scotland because Japan’s definition of NEET differs greatly due to cultural differences. Their definition of NEET refers to individuals aged 15 to 34 and factors such as being unmarried and not doing housework are included as determining factors. However, similar to many countries, the data source used for measurement of the NEET group was a labour force survey.

Rest of the UK
Looking abroad for ideas of how to measure the NEET group did not reveal any forms of measurement not already used. It is more helpful to look closer to home, specifically at the rest of the UK.

Other than the Labour Force Survey and the Census, England and Wales have also made use of a Youth Cohort Study (YCS). The YCS is a series of longitudinal surveys that involve a sample of a cohort of young people in the Spring following completion of compulsory education and again one or two years later. The survey uses a representative sample of around 30,000 young people in England and Wales, with the sample provided by schools and coordinated by the DfES. The YCS looks at experiences in education and employment, qualifications and other socio-demographic variables.

In England, the Client Caseload Information System (CCIS) database aims to establish the destination of all 16 year olds completing compulsory education in the autumn after they leave school, and at least annually thereafter. This database has become one of the main sources for measuring the NEET group in England, and provides the only information that is available at local authority level. The key broad elements in the database are as follows.

- It builds on records created in schools for each 13 year old, and their records are passed to Connexions Partnerships to allow them to deliver their information, advice and guidance services.
- The database is updated by personal advisors when they have contact with the young people.
- When young people reach school-leaving age, towards the end of the year schools, colleges and the Learning and Skills Council (LSC) provide lists to Connexions of
young people staying in school, attending college and work-based learning. Other leavers are followed up by Connexions with a 98% response rate.

- Data-sharing protocols have been agreed with the LSC, colleges, schools, specific local authority and NHS services working with younger people and Jobcentre Plus, although these are more effective in some areas than others. All data sharing is subject to the consent of the young people concerned.
- As with all data systems, a percentage of records are missing key information – in this instance in relation to employment status. Connexions allocate a proportion of the ‘not known’ records to the NEET group based on prior research evidence.
- All records have updating thresholds, where the lowest is three months for youngsters registered as NEET in the database. When thresholds are breached, action is taken to capture the current status. Where this is not possible, the young person remains recorded as status ‘not known’.
- The system is rich in data terms with extensive coverage and information on client characteristics, but it is highly cost-effective because it is a by-product of a client tracking system which Connexions needs to have to deliver the careers service effectively. It is viewed as a significant improvement on all previous measurement systems for the NEET group. It can provide data on both the numbers in the NEET group, movement into and out of the NEET group and a range of key characteristics at both national and local level, because it is not based on sample surveys.

Improvements to the system are being introduced. Currently there is no unique individual identification, but from 2007 it is planned that the LSC will give young people a unique learning identifier when they first apply to their first post-school learning activity. This will help measure both numbers in the NEET group and qualification levels achieved through links with exam boards. It will, however, be some years before this system is implemented on a comprehensive basis.
CHAPTER THREE: DESCRIBING MAIN MEASUREMENT OPTIONS

Introduction
This section looks at the four principal options for measuring the NEET group and describes the key features of each approach.

Option one: Annual Population Survey
The Annual Population Survey (APS) replaced the Annual Scottish Labour Force Survey (LFS), and was first published in August 2005. APS produces data based on calendar quarters, whereas the LFS was based on seasonal quarters.

Timing
- Data from the APS for the period January-December 2005 was published in June 2006. In future, rolling annual data should be available around 6 months after the end of each time period.

Body responsible for data collection
- Office for National Statistics (ONS).

Sample size
- From March 2003, the LFS sample in Scotland was boosted from 8,000 households to around 23,000. The target sample size for each unitary authority was 875 economically active adults except for Clackmannanshire (300); East Lothian (800); East Renfrewshire (800); Eilean Siar (200); Inverclyde (700); Midlothian (700); Orkney Islands (200); Shetland Islands (200); and Stirling (600).
- Because this measure of the NEET group is based on a survey, there is some degree of uncertainty around the estimates. For example, APS data from 2004 estimate the size of the NEET group at around 34,600, or 13.2% of the 16-19 population. However, the true proportion is likely to be between 11.9% and 14.6% at a 95% confidence interval of +/-1.4%. In other words, there is a 95% chance that the size of the NEET group in Scotland is between 31,200 and 38,300.
- Confidence intervals for estimates at local authority level vary.

Method of data collection
- The APS questionnaire content is determined by ONS which is, in conjunction with other government departments, responsible for identifying the need for new questions or changes to existing ones, and for determining priorities given the constraint of interview length.
- The population interviewed are persons resident in private households and young people living away from the parental home, in student halls of residence or similar institutions during term time, in the UK.
- Each household is interviewed five times, at 13-week intervals. The first interview is normally conducted face-to-face, with follow-up interviews carried out by telephone.
- In any three-month period, about a fifth of the sample are being interviewed for the first time, another fifth are receiving their second interview and so on, with 20 per cent who are being interviewed for the fifth and final time. Each of these roughly equal groups is termed a wave i.e. ‘wave 1’ refers to those people having their first interview.
- The enhancement to the LFS was designed with a panel element. Each household in the boost is interviewed once a year for four successive years. This generates a 75%
overlap in the supplementary sample from one year to the next, and provides more accurate annual measures of change than independent annual samples.

**Availability of data**
- Due to reliability considerations (see Appendix), data on the total numbers in the NEET group were published for only a small number of local authority areas for the year 2004: East Ayrshire, Glasgow, Inverclyde, Midlothian, North Ayrshire, South Ayrshire, Stirling and West Dunbartonshire.
- Postcode information is available for 2003 onwards, allowing a breakdown by any geography, but with serious sample size constraints on geographical disaggregation.
- At the Scottish level, breakdowns are available by age, gender, reason for being NEET and length of unemployment.

**Other details**
- The NEET group is identified from the APS data in the following way.
  - Identify those in education: 16 to 19 year olds are assigned to Education if they report they have not left full-time education or are inactive due to being a student.
  - Identify those in employment: If not in Education then consider their economic activity - if they did some paid work in the reference week, had a job that they were temporarily away from, were classed as ‘unpaid family workers’ or were on a government supported training or employment programme (including Modern Apprenticeships, Skillseekers, New Deal, Training for Work etc.) then they are assigned to Employment.
  - Identify those in unemployment: If not in Education or Employment and if they are out of work and have been seeking work in the last four weeks, or are waiting to start a job in the next two weeks, assigned to Unemployment.
  - Identify those who are economically inactive: If not in Education, Employment or Unemployment and if reported to be inactive (excluding students that are inactive, as these are captured in the Education group) they are assigned to Inactive.
  - The NEET group consists of those in the Unemployment and Inactive groups.

**Option two: DWP benefits data for 18-19 year olds plus data from the School Leavers Destination Survey for 16-17 year olds**
The approach involves adding together information collected in very different ways by two agencies with quite separate roles.

**School Leavers Destination Survey**
The School Leavers Destination Survey is the responsibility of Careers Scotland.

**Timing**
- Survey results for the academic year 2004/05 were published in December 2005 in the publication, *Destinations of Leavers from Scottish Schools: 2004/05*. This is a time lag of two or three months from the collection of the data in October 2005.

**Body responsible for data collection**
- Careers Scotland provide data to the Scottish Executive.
Method of data collection

- Data are based on a follow-up contact of all leavers from publicly funded schools, and information collected directly from independent schools.
- Data for the Scottish Enterprise area were collected in a different way for 2004/05. In previous years the survey was completed entirely by the staff from Careers Scotland. For 2004/05, Careers Scotland outsourced part of the work to an external contractor. Every effort was made to ensure consistency with previous years.
- A school leaver is classed as a young person of school leaving age who left school at any time during or at the end of the school year, which is taken to run from 1st August to 31st July.
- The data relate to the latest known destination of leavers on the first Monday in October following the end of the school year. For example, a school leaver who left in June 2005 and travelled for several months but who is known to have taken up employment prior to October will be counted under employment. Similarly, a leaver who had been in work but was no longer employed at the start of October would be counted as unemployed.
- In March 2006, for the first time Careers Scotland conducted a follow-up survey of the current destinations of all school leavers who were recorded as being NEET or ‘destination unknown’ at the time of the initial School Leavers Destination Survey in October 2005 – around 9,000 in total. This survey demonstrated that around 60% of the NEET category were still NEET in March. In addition, the Scottish Executive’s forthcoming NEET strategy is likely to recommend a comprehensive follow-up of all school leavers. This will provide more detailed information on the duration and seasonal nature of NEET status.

Availability of data

- Data are available annually in the Statistics Publication Notice, Destinations of Leavers from Scottish Schools.
- Data are available for individual schools on the Scottish Schools Online website.
- Data can be broken down by destination category, gender, type of school (public or independent) and local authority – but not by age.

Other details

- There are slight variations in previously published percentages for 2003/04. This is due to improved methods of cleaning the data.
- There may be slight differences across local authorities in the way Careers Scotland count leavers who return to school for a short period after the summer break. Thus full comparability between education authorities cannot be assured.
- The Statistics Publication Notice does not contain information on the destinations of leavers from special schools. The numbers of leavers from these schools is small and fluctuates from year to year. Only around 2% of 16-19 year old pupils are in special schools.
- The following three categories will include leavers who fall into the NEET group:
  - Unemployed and seeking employment or training: includes those who are registered with Careers Scotland and are known by them to be seeking employment or training. This is based on regular contact between Careers Scotland and the client. This does not conform with the definition of ‘unemployed’ used by Office for National Statistics (ONS) to calculate published unemployment rates.
- **Unemployed and not seeking employment or training:** includes all those individuals who are not seeking employment or training for a range of reasons. The reasons may involve sickness, caring for children or the elderly, involvement in full-time unpaid voluntary work or taking time out. These explanations apply to the great majority of leavers, but this category may also include school leavers who are employed and/or in education part-time for less than 21 hours per week and may include leavers with more than one part-time placement.

- **Unknown:** includes all leavers whose destination is not known either to Careers Scotland or to the school attended. Around 4% of school leavers were classified as ‘unknown’ in 2004/5.

The NEET group can be defined as the total number of leavers in the above destination categories, minus those employed and/or in education part-time for less than 21 hours per week. Careers Scotland argue that the numbers in this latter category are very small. Some in the ‘unknown’ destinations category will be NEET, but there are no data on this. As the Scottish Executive restricts its definition of NEET from this survey to those ‘unemployed and seeking employment or training’, the numbers who are NEET are under-estimated to an unknown degree.

- Percentages based on the results for between 1 and 4 leavers have been omitted because they could be misleading or lead to the identification of individuals. This is only an issue for certain categories in the smallest local authorities.

**Department for Work and Pensions (DWP) benefits data**

DWP collates and publishes data for working age people on those benefits for which DWP is responsible.

**Timing**

- Data show working age people on benefits at four points in the year – February, May, August and November. The time lag between the reference period and publication is 5 months.

**Body responsible for data collection**

- DWP

**Method of data collection**

- Analysis is based on data which are a 100% sample drawn from benefit administration computer systems held within the Work and Pensions Longitudinal Study.

- To produce the client group analyses, a common “snapshot” date is chosen. The National Insurance numbers are then matched to produce an overall data set for those who are claiming at least one benefit on the snapshot date, and to prevent double counting.

- Claimants are assigned to client groups on the basis of the following typology. In this, benefits are arranged hierarchically and claimants are assigned to the topmost benefit which they receive.
### DWP statistical group typology

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Client Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jobseeker’s Allowance</td>
<td>Jobseekers</td>
</tr>
<tr>
<td>Incapacity Benefit/Severe Disablement Allowance</td>
<td>Incapacity Benefits</td>
</tr>
<tr>
<td>Income Support with a child under 16 and no partner</td>
<td>Lone Parent</td>
</tr>
<tr>
<td>Carer’s Allowance</td>
<td>Carer</td>
</tr>
<tr>
<td>Other Income Support (including IS Disability Premium) or Pension Credit</td>
<td>Other on Income Related Benefit</td>
</tr>
<tr>
<td>Disability Living Allowance, Attendance Allowance, or Industrial Injuries benefits</td>
<td>Disabled</td>
</tr>
<tr>
<td>Widow’s, Bereavement or Industrial Death Benefit</td>
<td>Bereaved</td>
</tr>
<tr>
<td>Housing/Council Tax Benefit</td>
<td>Housing related</td>
</tr>
<tr>
<td>State Pension Only</td>
<td>State Pension Only</td>
</tr>
</tbody>
</table>

*Source: DWP*

**Availability of data**

- Detailed benefits data for 18-19 year olds can be requested as a special analysis from DWP.
- While data are available for those 16-17 year olds who claim benefits, the numbers in this age group who are eligible are relatively small, and would represent only a small fraction of those who are NEET. They are also likely to be covered by the School Leavers Destination Survey (see below).
- Figures are available by local authority area.

**Other details**

- Figures are not seasonally adjusted, so any comparisons should be made year-on-year.

**Option three: difference between estimates for number of 16-19 year olds and number in education, employment and training**

This is probably the most complex method for measuring the NEET group. It starts with an estimate for the total number of 16-19 year olds in the population and then subtracts estimates derived from various sources for the numbers in employment, education or training to arrive at a figure for the NEET group.

**Population: mid year population estimates**

**Timing**

- The population estimates relate to 30 June of the relevant year and ages relate to age last birthday. The results are published by April the following year.

**Body responsible for data collection**

- The General Register Office for Scotland (GROS) is responsible for these statistics.

**Method of data collection**

- Births and deaths are estimated using data from the civil registration system, which is considered to be virtually complete.
• Estimates of migration are based on survey data and the best proxy data that exist. Migration information is derived from three key sources of data. The National Health Service Central Register (NHSCR) captures moves between health board areas within the UK, with migration at council area level within Scotland estimated using anonymised data from the Community Health Index (CHI). The International Passenger Survey (IPS) provides information on moves into and out of Scotland from outside the UK.

Availability of data
• Data are available free of charge from the GROS website.
• Data are broken down by gender, individual years of age, and by local authority or health board area.

Other details
• The estimated population of an area includes all those usually resident there, whatever their nationality. Students are treated as being resident at their term-time address. Members of UK and non-UK armed forces stationed in Scotland are included; UK forces stationed outside Scotland are excluded.
• Although the populations are tabulated in units, this does not imply accuracy to that level. The data are presented in units for the convenience of users wishing to compile non-standard aggregations without encountering rounding problems.

Education: Higher Education Statistics Agency

Timing
• Student numbers relate to all higher education (HE) enrolments active at any point in the academic year, defined as 1 August to 31 July.

Body responsible for data collection
• The Higher Education Statistics Agency (HESA) is the central source for the collection and dissemination of statistics about publicly funded UK HE.

Method of data collection
• Making use of access to the World Wide Web, via JANET, data streams are collected electronically. JANET is the network for the education and research community within the UK. All data received by HESA pass through a rigorous quality checking procedure.
• Data are collected on student enrolments at each publicly funded higher education institution (HEI) in the UK. Data are available on students and qualifiers from the academic year 1994/95 onwards.
• One of the datasets collected by HESA is the Student Record.
  - This contains over 150 pieces of information for each student currently studying a course that leads to a qualification or credit at an HEI.
  - The data contain information on the subject of study chosen, entry qualification and student characteristics.
  - The data are collected for all students who are (or were) actively following a programme of study at some time during the reporting period.

Availability of data
• On request, data can be provided at a charge on the number of students aged 16-19 enrolled in HEIs in the UK for whom Scotland is their permanent residence.
The Scottish Executive has access to data from HESA, and can aggregate this with data from the Scottish Funding Council (SFC) to include figures for those undertaking HE in colleges.

Domicile (the student’s permanent/home address prior to the start of their studies) data are supplied to HESA in the form of postcodes (UK domiciled students) or country codes. Postcodes are mapped to counties and unitary authorities and UK nations.

Other details

HE students are those students on programmes of study that are of a standard that is higher than:
- the Advanced Level of the General Certificate of Education (GCE A-levels)
- the Higher Grade of the Scottish Certificate of Education (SCE Highers)
- the BTEC or SCOTVEC National Certificate/Diploma (ONC/OND).

From 2000/01 HESA has introduced a new population definition for the majority of analyses of student data. The HESA standard registration population has been derived from the HESA July Individualised Student Record and ensures that similar activity is counted in a similar way irrespective of when it occurs. The population splits the student experience into ‘years of programme of study’; the first year of which is deemed to start on the commencement date of the programme with second, and subsequent years, starting on, or near, the anniversary of that date. Registrations are counted once for each ‘year of programme of study’. Short course registrations are counted in the standard registration population regardless of whether they are active on the 1 December of the reporting period. Dormant students, incoming visiting and exchange students from overseas, postdoctoral students and students studying for the whole of their programme of study outside of the UK are all excluded from this population.

Data on the age of a student are based on the age as at 31 August. Data on the age of those obtaining qualifications are based on age as at 31 July. HESA can provide a full age breakdown or grouped ages.

Education: further education Infact database

Timing

The data are collected annually by the October following the academic year (August to July) and is available by January-March. For example, data for the year 2004/05 were collected in October 2005 and were available in January 2006.

Body responsible for data collection

SFC.

Method of data collection

The SFC collects and publishes information relating to the 46 colleges in Scotland. The Further Education Statistics Collection is the main collection carried out by the SFC and is done so on an annual basis. The data collected cover all courses run in colleges and on students attending these courses.

Data are collected from the colleges which fill in student statistical returns using their administrative records.

Availability of data

Data are available free of charge on the SFC Infact website www.sfc.ac.uk/infact/
• Tabular analysis is provided showing the headcount in further education (FE) by the student’s home area prior to study (local authority) and the age of the student (in August or at the start of the academic year).

Other details
• The Infact database contains data on students and courses in FE in Scotland for 1998/99 to 2004/05.
• Age is broken down as follows: 16, 17, 18, and 19-24. Headcount for just 19 year olds and other breakdowns are available on request, free of charge.
• Headcount is used rather than number of enrolments as a student enrolled on more than one course would be counted twice otherwise.
• The Infact data include all students enrolled at any point during the academic year. Since some courses are very short, in order to measure the NEET group at a particular point in time dates of enrolment and completion would be required, as a student could have been enrolled on a short course and then become NEET. The Scottish Executive has access to this information as part of the full FE data set from the SFC.
• Data can be disaggregated by level of study – i.e. split into college students engaged in HE and those in FE. This prevents double counting when combined with the figures for HE.

Education: pupil census
Timing
• The last census took place on 12 September 2005 with results published in *Pupils in Scotland 2005* in February 2006.

Body responsible for data collection
• Scottish Executive Education Department (SEED).

Method of data collection
• The information required to complete the September 2005 pupil census was collected through local authorities from all publicly funded primary, secondary and special schools. Information was collected electronically from nearly all schools as part of the ScotXed programme. The information is usually stored on school management information systems.

Availability of data
• Data from the census are published in *Pupils in Scotland* report annually, available from the Scottish Executive’s website.
• Data can be broken down by local authority area.
• Data are available on pupils by full age breakdown, by age at 28th February 2006.

Education: independent school census
Timing
• The most recent results published in April 2006 relate to September 2005.

Body responsible for data collection
• SEED.
Method of data collection
- Under the Registration of Independent Schools (Scotland) Regulations 1957 as amended, independent primary, secondary and special schools are required each year to supply certain statistics to the Scottish Executive.

Availability of data
- Data from the census are published annually in a Statistics Publication Notice, available from the Scottish Executive’s website.
- Data can be broken down by local authority area.
- Data are available on the age profile of pupils in mainstream independent schools by age at 31 December 2004. For pupils in special schools data are available by the age band ‘16 and over’.

Education: annual survey on children educated outwith school

Timing
- Data for the academic year 2004/2005 were published by November 2005.

Body responsible for data collection
- SEED.

Method of data collection
- This survey started in Autumn 2001. Local authorities provide details of all children who are educated outwith school at any point during the school year, whether out of necessity or by parental choice.

Availability of data
- Data from the census are published in the annual Children Educated Outwith School and Pupil Projections report, available from the Scottish Executive’s website.
- Data are available (on request) by local authority area.
- To obtain data broken down by age, contact needs to be made with the individual local authorities.

Other details
- There were only 1,500 children being educated outwith school in 2004/05. Since compulsory education ends at 16, the numbers in the 16-19 age band registered as being educated at home are likely to be very small.

Employment: Annual Population Survey

Timing
- APS calendar year data are available in June each year.

Body responsible for data collection
- ONS.

Sample size
- The Scottish sample is around 23,000 households.
- From March 2003, the LFS sample in Scotland was boosted from 8,000 households to around 23,000. The target sample size for each unitary authority was 875 economically active adults except for Clackmannanshire (300); East Lothian (800);
East Renfrewshire (800); Eilean Siar (200); Inverclyde (700); Midlothian (700); Orkney Islands (200); Shetland Islands (200); and Stirling (600).

Method of data collection
- The data collection details are described in the earlier section on the APS.

Availability of data
- Data for the number of 16-19 year olds in employment but not also in full-time education are available on request from the Scottish Executive.
- Employment data for 16-19s are available for all local authorities except Clackmannanshire, Orkney, Shetlands and Western Isles.
- Postcode information is available for data from 2003 onwards, allowing a breakdown by any geography, although there are sample size constraints.
- Data are available for age band 16-19, and with gender breakdown.

Other details
- On the definition of ‘in employment’: people aged 16 or over are classed as in employment (as an employee or self-employed) by the APS if they have done at least one hour of paid work in the week prior to their interview or if they have a job from which they are temporarily away. People who do unpaid work in a family business and people on Government-supported training and employment programmes are also included according to the International Labour Organisation (ILO) convention. APS data for 2004 suggests that around 5% of those classified as ‘in employment’ are on Government employment and training programmes.

Training: Modern Apprentices/Skillseekers/Get Ready for Work/Training for Work

Timing
- Data are available on the number of people in training at the end of each month.
- Data on the number of starts are generally collected cumulatively, with the final year estimates published. These can be generated on a monthly basis if required.

Body responsible for data collection
- Scottish Enterprise (SE) and Highlands and Islands Enterprise (HIE).

Sample size
- Based on 100% sample.

Method of data collection
- SE gathers the data using the Corporate Training System (CTS). Training providers input details on their trainees into CTS and SE can then extract this information using reporting tools. CTS information is updated regularly.
- HIE gathers training data using a web-enabled system.

Availability of data
- Data are available from the SE and HIE websites, or on request free of charge.
- Data can be broken down by local enterprise company (LEC) area or local authority area (based on the postcode of the trainee residence) on request.
- Data are available with gender and ethnicity disaggregations.
• Data are available for the age band 16-19 year olds (based on age at start of programme) or can also be broken down by single year of age on request.

Other details
• As Modern Apprenticeships and Skillseekers can last up to three years, the ages of participants would have to be adjusted to take account of the length of time that they had been enrolled in the programme.

Training: New Deal/Employment Zones/Action Team for Jobs
Timing
• Data are available for each month, with an elapse of around six months before the data become available.

Body responsible for data collection
• DWP/Jobcentre Plus

Sample size
• Based on 100% sample.

Method of data collection
• The number of people participating in the New Deal and Employment Zones is based on a 100% sample taken from administrative benefit computer systems, held within the Work and Pensions Longitudinal Study.
• The number of people participating in Action Team for Jobs is collected from DWP’s Management Information System.

Availability of data
• Data for New Deal are available by local authority area.
• Data for Employment Zones and Action Team for Jobs are available by programme area.
• Number of Action Team for Jobs participants by single year of age can be provided by DWP.
• Number of 18 and 19 year olds (based on age when starting the programme) participating in the New Deal for Young People and Employment Zones is available through the Tabulation Tool on the DWP website.

Other training: European-funded training schemes
Other details
Although the Scottish Executive holds data on numbers participating in these schemes, no information is available on the number of 16-19 year olds involved.

Option four: developing an administrative database of 14-19 year olds
This option is currently being developed, building on the approach delivered by Connexions Partnerships in England which was summarised in Chapter Two.

Timing
• Data could be generated on a frequent basis.
The age of the data in the system will depend on data updating procedures. Similar to the Connexions approach, the plan is to follow up the NEET group on a more frequent basis than the other groups.

**Body responsible for data collection**
- Careers Scotland

**Sample size**
- The aspiration is to achieve a 100% sample. This is more likely to be achieved for the younger aged people in the NEET group.

**Method of data collection**
- The starting point will be a unique Scottish Qualifications Authority (SQA) identifier for each 14 year old.
- The records for all 14 year olds are then stored in Careers Scotland’s client record management system - Insight.
- Where there is any interaction between Careers Scotland and a client, the record is updated on Insight. This will include any changes in characteristics.
- The School Leavers Destinations Survey will provide further updates of client records.
- A key feature will be importing data from partner organisations such as schools, colleges, various local authority departments, the Enterprise Networks and Jobcentre Plus.
- Matching of client records through imported data will be facilitated for learning organisations through the SQA identifier. For Jobcentre Plus, this will be more difficult as Insight does not store National Insurance numbers and Jobcentre Plus does not store the SQA identifier.
- Careers Scotland staff will be tasked with checking for gaps in the imported data, and following up to fill these gaps.

**Availability of data**
- Unlikely to be available before 2007.
- Because of large sample sizes, data will be available for all local authorities and will include disaggregations by client characteristics at the local as well as the national level.

**Other details**
- The system is likely to be less accurate for the 18-19 year olds versus the 16-17 year olds, as with the Connexions database.
- By building on a client management database which is essential for Careers Scotland to deliver its service effectively, this approach to measurement is made much more cost-effective.
- As with all databases, the quality is dependent on the frequency and accuracy of the updating work. The hope is that the enhanced Insight database will offer a better tool to careers advisors and so incentivise the process of effective updating.
CHAPTER FOUR: ALTERNATIVE MEASUREMENT OPTIONS

Introduction
In addition to the four measurement options evaluated in this report, two other alternatives were considered but ultimately rejected. A summary of the main pros and cons of each measurement option is provided below.

Scottish Household Survey
TNS Social and MORI Scotland conduct the Scottish Household Survey (SHS), financed by the Scottish Executive. The SHS is a continuous cross-sectional survey based on a sample of the general population in private residences in Scotland. The main survey questionnaire is in two parts.

- Householders or their partners complete part one of the interview on the household.
- Then one of the adults in the household is randomly selected to complete part two, which has questions focused on the individual.

Pros
- Provides detailed information on the characteristics of the households and individuals interviewed, including:
  - economic activity;
  - health and disability;
  - ethnicity and religion;
  - childcare responsibilities;
  - neighbourhoods and community safety;
  - education and training.
- Data can be provided for some larger local authorities on an annual basis.

Cons
- Interviews are conducted in only 3,900 households each quarter. This provides a small sample size of about 16,000 households per year, compared to 23,000 households for the Annual Labour Force Survey.
- The survey does not use the ILO definitions of economic activity, which would make international comparisons difficult.
- Provides data for all local authorities every two years, rather than annually.

The SHS was rejected as a measurement option because the sample size was too small. Alternative measurement options, such as the LFS used a significantly larger sample of the population. In addition, data on all local authorities would only be available every two years.

Scottish School Leavers Survey
The Scottish Centre for Social Research conducts the Scottish School Leavers Survey (SSLS) for the Scottish Executive. The SSLS collects information on the educational and employment activities of young people after they leave school; their views and experiences of school itself; and key decisions made about whether to stay on at school or not. Background characteristics are also collected, including parental level of education, social class, family circumstances and housing tenure. The survey uses samples of year-group cohorts which are surveyed four times, at ages 16-17, 18-19, 21-22 and 23-24. A new cohort is recruited on a three-yearly cycle.
**Pros**

- Collects information on individual’s activity status in four different months of the year. This helps track the NEET status of individuals over time.
- Asks individuals the number of times they were unemployed in a given period and the longest length of time for which they have been unemployed.
- Travelling or ‘long holiday’ is an option for activity status, preventing gap year students being wrongly included in the total number of those NEET.
- Collects information on the individual’s reasons for not being in EET, what they think their activity status will be in one/four year’s time and how much control they feel they have over their life.
- Also provides detailed information on their home and family, qualifications, career guidance and truancy or exclusion status when in school.

**Cons**

- In 2003, only 5,088 16-17 year olds were surveyed. In 2005, only 3,245 of those surveyed in 2003 responded. This provides too small a sample to estimate reliably the size of the total NEET population in Scotland.
- Capacity for geographical disaggregation is limited by the small sample size.
- Three year gap before a new cohort group is recruited.
- Response to the survey was lower among types of school leavers who were most at risk of being NEET. Despite weighting the data, this may not fully compensate for the lower response rate.
- It is likely that the SSLS will underestimate the number of young people who are NEET. Unemployment and inactivity are often under-reported in surveys, especially if only experienced for a short time (Croxford and Raffe, 2000).

The SSLS is a potential alternative to the School Leaver Destinations Survey used in measurement option one. However, despite the capacity for greater disaggregation by the type of young person the SSLS was rejected for the following reasons. Firstly, the survey uses too small a sample size for most of the uses to which a NEET measure would be put. Secondly, information on a new group of 16-17 year olds is only available every three years.
CHAPTER FIVE: PROS AND CONS OF MEASUREMENT OPTIONS

Introduction
The pros and cons of each of the four principal measurement options are assessed against the following criteria:

- Overall accuracy.
- Capacity for geographical disaggregation.
- Capacity for disaggregation by group or type of young person.
- Timeliness.

Option one: Annual Population Survey

Overall accuracy

Pros
- Data come from a single source collected in the same time periods, and so the risk of double counting is minimised.
- As a result of the Scottish boost to the LFS, figures for the proportion of the 16-19 population who are NEET have a 95% confidence interval of only +/-1.4%.

Cons
- The size of the sampling errors makes it difficult to track change in the numbers in the NEET group over time.
- Around 30% of all LFS data are collected by proxy – that is from another member of the household rather than from the individual themselves. This is a particular problem for young people, where information for around 80% of all 16-19 year olds is collected by proxy.
- Young people in custody or refugees/asylum seekers who have not yet been granted citizenship will not be included in this measurement of the NEET group.

Capacity for geographical disaggregation

Pros
- None.

Cons
- Estimates are not available for most local authorities due to small sample sizes.
- Because of the smaller sample sizes at the local authority level, the confidence limits are much greater – for example, with a confidence limit of +/- 8.5%, the true size of the NEET group in Glasgow in 2004 could be anywhere between 13.6% and 30.6% of the 16-19 population.
- In addition, no breakdown of the NEET group into different ages, reason for being NEET etc. is possible for any local authority area.

Capacity for disaggregation by group or type of young person

Pros
- At a Scotland-wide level, the NEET group can be broken down by
  - age,
  - sex,
  - broad reason for being NEET, i.e unemployed (and length of unemployment) or economically inactive (and reason for inactivity, such as sick/disabled or caring for family)
• This allows a measure of the most disadvantaged members of the NEET group to be constructed.

**Cons**

• Disaggregation by group or type of young person is not available at local authority level.

**Timeliness**

**Pros**

• Data are available quarterly, and rolling annual data should be available around 6 months after the end of each quarter.

**Cons**

• No obvious cons.

**Option two: DWP benefits data for 18-19 year olds plus data from the School Leavers Destination Survey for 16-17 year olds**

**Overall accuracy**

**Pros**

• School leavers data captures virtually all leavers. It is not based on a sample survey.
• Benefits data come from a 100% sample – i.e. includes all people in the relevant age group who are claiming benefits
• Since DWP benefits data are available at different times of the year it can match up closely with the time data are collected from the School Leavers Destination Survey in October.
• Because of the large sample sizes, comparisons over time and between localities are more reliable.

**Cons**

• The age of school leavers is not provided. Some of the school leavers will be 18 or 19 when they leave school. This creates a risk of double counting if any of the individuals are both a school leaver and a claimant of DWP benefits.
• School leavers data will not capture the status of all 17 year olds as some will have left school the previous year.
• Gap year students may be included in the NEET count.
• Consistency in the data collected may have been affected by the use of an external contractor for Scottish Enterprise areas.
• Benefits data will fail to capture individuals who are not claiming benefits and who are also not in education, employment or training. It is estimated that only 62% of the NEET group are claiming benefits.
• School leavers survey does not include leavers from special schools. These children are more likely to become NEET. However many leavers of special schools may not leave until they are 18 or 19 and will be captured by the benefits claimants data.
• Young people in custody or refugees/asylum seekers who have not yet been granted citizenship will not be included in this measurement of the NEET group.
• Numbers of people on benefits are affected by changes to the conditions of entitlement and to the existence of the benefits/tax credits themselves. For example, this includes changes such as the replacement of the Minimum Income Guarantee with Pension Credit and the introduction Child Tax Credit in April 2003. No adjustments have been made to the figures to compensate for such changes.
Capacity for geographical disaggregation

Pros
- Benefits data from the 100% sample and School Leaver Destinations Survey data are available at local authority level.
- School leavers data can be broken down by school.
- Benefits data can also be generated by UK and Scottish parliamentary constituencies.

Cons
- Benefits and school leaver data cannot be jointly generated at a smaller breakdown than local authority area.

Capacity for disaggregation by group or type of young person

Pros
- Figures can be produced for the number of DWP benefit claimants by age, gender, duration of claim, dependent children and either type of benefit or statistical group (which avoids double counting).
- Unemployed school leavers can be split into those seeking employment or training and those not seeking employment or training.

Cons
- Other than gender, it is not possible to disaggregate the data from both sources in other ways that would be comparable.
- By assigning claimants to only the topmost benefit they receive in the benefits hierarchy, some characteristics of clients claiming more than one benefit may be neglected.

Timeliness

Pros
- For the School Leaver Destinations Survey data, the gap between collecting and publishing the data is only two or three months. However, benefits data from the 100% sample are released around six months after the reference period – i.e. figures from August will be released in January, etc.
- New data on DWP benefits claimants are available every three months.

Cons
- School leavers data are collected only once a year, although there is now a follow-up in March of all young people classified as NEET at the previous October.
- If using the November DWP data and the October school leavers data would need to wait until May for publication of all the data.
- Figures show a ‘snapshot’ from a particular point in time and are not seasonally adjusted.

Option three: difference between estimates for number of 16-19 year olds and number in employment, education and training.

Overall accuracy

Pros
- Data on education and training are not based on samples so should be very accurate.
Cons
- Data on the population are estimates.
- Data taken from the APS are based on a sample of households in Scotland.
- Data from different sources will not have been collected at the same point in time, which may cause inaccuracies where the economic status of individuals has changed over time.
- The NEET group will include gap year students.
- An individual enrolled in a government training scheme may classify themselves as in employment in the APS. If so, they will be double counted under the employment and training counts for this option.
- There may be other potential double counting – for example young people in both education and employment.
- Young people in custody or refugees/asylum seekers who have not yet been granted citizenship will not be included in this measurement of the NEET group.

Capacity for geographical disaggregation
Pros
- All the data should be available for almost all local authorities.

Cons
- Estimates of employment from the APS are not available for the smallest local authorities, i.e. Clackmannanshire, Orkney, Shetland and Eilean Siar.

Capacity for disaggregation by group or type of young person
Pros
- Can be broken down by age and gender.

Cons
- It does not allow a breakdown of the NEET group into those who are available for work and those who are prevented from working.
- Other than age and gender, no other breakdowns appear to be common to all the data sources.

Timeliness
Pros
- No obvious positive features.

Cons
- Midyear population estimates have the longest time lag of about 10 months between collecting the data and publishing it.
- Most of the data sources are published only once a year.
- Only a snapshot in time is provided of these young people. This prevents the measurement of those who remain in NEET for a sustained period as opposed to those who are temporarily NEET.
Option four: developing an administrative database of 14-19 year olds

**Overall accuracy**

*Pros*
- The system will enable the monitoring of an individual’s NEET status over time. This helps to identify those who are only temporarily NEET and those who are NEET for a sustained period.
- The information collected will be more of reliable as the system is not dependent on small sample surveys.

*Cons*
- There will always be some young people where it is not possible to establish their economic status. Some will refuse to respond, some may be difficult to get hold of (e.g. homeless young people). However, this problem will be common to any measurement option.
- The estimates may be less reliable for 18 and 19 year olds due to matching problems between the Insight and Jobcentre Plus management information systems.

**Capacity for geographical disaggregation**

*Pros*
- There is good capacity for disaggregation. The large sample sizes mean reliable figures will be available for all local authority areas.

*Cons*
- The Connexions database records young people remaining in education post-16 in the local authority area in which their education establishment is based, and not the local authority in which the young person is resident. However, this need not necessarily be a problem for the enhanced Insight database.

**Capacity for disaggregation by group or type of young person**

*Pros*
- There should be good capacity for disaggregation due to large sample sizes and the detailed information on client characteristics.
- Collecting more details about young people will allow a more appropriate definition of the NEET group to be adopted. For example, the English system allows a definition of NEET that does not include young people on gap years.

*Cons*
- The only obvious con would be around cost, but this is mitigated to some degree as Insight is an essential client management tool for Careers Scotland.

**Timeliness**

*Pros*
- In England, data are extracted from the database on a monthly basis. The most recently published NEET figures are for November 2005.

*Cons*
- No obvious ones.
### Summary of the pros and cons by different criteria

<table>
<thead>
<tr>
<th>Criteria</th>
<th>OVERALL ACCURACY</th>
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</table>
| **Annual Population Survey**                  | **Pros**  
• Data come from single source, collected in same time periods – avoids risk of double counting.  
**Cons**  
• Because data are based on a sample, there is a margin of error. However, this margin has been reduced due to the Scottish boost to the sample size.  
• Around 80% of data are collected by proxy. |
| **DWP Benefits Data and School Leavers Destination Survey** | **Pros**  
• Data come from a 100% sample.  
• Data from different sources have closely matched dates for collection of data.  
• Almost all 16 year olds should be captured by this measurement option.  
**Cons**  
• Young people in custody, refugees, some 17 year olds and leavers from special schools will not be captured.  
• Benefits data will not capture 18-19 year olds who are NEET but are not claiming benefits.  
• Gap year students will be counted as NEET.  
• Risk of double counting. |
| **Difference between 16-19 population and those in EET** | **Pros**  
• Data on education and training come from a 100% sample.  
**Cons**  
• Population and employment data are estimates.  
• Data from different sources have not all been collected at the same point in time.  
• NEET group will include gap year students.  
• Risk of double counting. |
| **Administrative database**                    | **Pros**  
• The monitoring of an individual’s NEET status can be monitored over time. This helps to identify those who are only temporarily NEET and those who are NEET for a sustained period.  
• Allow the collection of detailed information on a significant proportion of the age group – so measuring change over time.  
**Cons**  
• System will be less accurate for older age groups. |
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<thead>
<tr>
<th>CAPACITY FOR GEOGRAPHICAL DISAGGREGATION</th>
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<tbody>
<tr>
<td><strong>Pros</strong></td>
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<td>Annual Population Survey</td>
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<th>CAPACITY FOR DISAGGREGATION BY GROUP OR TYPE OF YOUNG PERSON</th>
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<td><strong>Pros</strong></td>
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<td>Annual Population Survey</td>
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CHAPTER SIX: COMPARISON AGAINST 2001 CENSUS

The task
In order to test the accuracy of the different measures, data from 2001 for the different measurements are compared to the results of the 2001 Census. The assumption made here is that the Census is the soundest measure because it is as close as possible to a 100% sample and contains questions which allow individuals to be accurately classified as being in the NEET group.

The analysis
The NEET figure from the 2001 Census includes all those in the 16-19 age group on the due date who were either:
- Unemployed by the ILO definition, i.e. those who were not in employment, had been looking for work in the last four weeks and were available to start work in the next two weeks – excluding those who were also in full-time education; or
- Economically Inactive, except those that described themselves as ‘students’.

A number of conclusions can be drawn from the table below.
- The LFS and the DWP benefits/School Leaver Destinations Survey measures produce estimates reasonably close to the Census.
- Relative to the Census, the LFS overestimates the number and the DWP/School Leaver Destinations Survey approach underestimates the numbers.
- The measure based on the difference between the population estimates and the estimates for the number in education, employment or training is the furthest from the Census figure.

However, there are a number of points to note regarding these conclusions.

### NEET group measurements, 2001

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<th>Level</th>
<th>%</th>
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<tr>
<td>Census</td>
<td>33,400</td>
<td>13.2</td>
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<tr>
<td>Labour Force Survey</td>
<td>38,000</td>
<td>15.4</td>
</tr>
<tr>
<td>DWP benefits data/School Leaver Destination Survey</td>
<td>27,300</td>
<td>10.8</td>
</tr>
<tr>
<td>Difference between population and those in EET</td>
<td>21,400</td>
<td>8.5</td>
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</tbody>
</table>

Notes to table:
LFS data are four-quarter average for March 2001-February 2002.
Number of benefit claimants at August 2001.
Census data refer to activity on 29th April 2001
School leaver destinations are at 1st October 2001
Difference between population and the numbers in education, employment or training based on:
- Estimated population at 30 June 2001
- Numbers in school at September 2001
- Participation in FE and HE during academic year 2001/02
- Average participation in training for 2001
- Average employment March 2001 – February 2002

### Labour Force Survey
- The confidence limit for the size of the NEET group from the 2001 LFS is +/- 2.2% (because the sample size is smaller than that of the APS), so the proportion of the 16-
19 population who are NEET could be in the range 13.2% to 17.6%, or 32,600 to 43,400 individuals.

- The LFS has now been superseded by the APS, which has a greater sample size. This is likely to increase the accuracy of this measure.
- The LFS measure uses the same definition of NEET as the Census.
- Since the LFS measure is averaged over four quarters, the estimate will not be distorted by the seasonal fluctuations in the size of the NEET group that affect a ‘snapshot’ measure, as described below.

DWP benefits data/School Leaver Destinations Survey

- In the absence of an age breakdown of data on school leavers, the benefits data/School Leaver Destinations Survey measure has been constructed by simply adding the number of school leavers known not to be in education, training or employment to the number of 18/19 year old benefit claimants. This is likely to result in some degree of double counting (for example of 18 year old school leavers).
- It is also likely to lead to some groups being missed out. For example, it will omit those 17 year olds who had left school the previous year but are NEET at the time of the next count. While this could be remedied by using benefits data, this could lead to double counting and is still likely to miss the many 17 year olds not entitled to or not claiming benefits. It is also likely to omit many 18/19 year olds who are NEET but are not in receipt of any benefits, but left school before the previous academic year. This is a possible explanation for the lower estimate for the NEET Group on this measure relative to the Census.

Difference between population and those in education, employment or training

- Since LFS data are used to estimate the number of 16-19 year olds in employment, the measure based on the difference between the estimated population and the estimated numbers in education, employment or training will also benefit from the improved accuracy of the APS.
- Because of the smaller sample size in 2001, LFS estimates for the total in employment cannot be disaggregated to remove those on Government employment and training programmes. Therefore in this case a number of those ‘in employment’ have been removed based on the proportion in 2003 who were on Government employment and training programmes. This is to prevent double counting of those on MAs, Skillseekers etc. who would otherwise be included in both ‘employment’ and ‘training’. From 2003 onwards, estimates for the number of those ‘in employment’ who are on Government programmes are available from the LFS.
- However, as the LFS depends on individuals describing their own circumstances, an individual on a Modern Apprenticeship for example may perceive themselves to be employed, rather than on a Government programme. As a result, there is likely to be some degree of double counting as in this case the individual would be included in both ‘employment’ and ‘training’.
- A further source of double counting would be those participants in MAs and Skillseekers who are enrolled at a college to receive part of their training. In this case they would be included in both ‘education’ and ‘training’.
- Furthermore, this measure is likely to underestimate the true extent of the NEET group because the figures for those in FE and HE include all of those who were enrolled at a college or university over the course of the academic year. Therefore those who dropped out or failed to complete their course and entered the NEET group would not be counted. In order to be more accurate, estimates of the numbers of 16-
19 year olds in employment, education and training, would need to be based on a single point in time to prevent double counting.

**Timing**

One final important point to note is that the point in time at which the measurement is taken is likely to affect the estimated size of the NEET group, as there are very significant seasonal fluctuations in the number of young people not in employment, education or training.

- The SSLS, which tracks the progress of particular age cohorts, suggests that the figure can fluctuate from a high of 27% in the peak months of the summer, to as low as 4% between September and May.
- The follow-up of those with NEET or unknown destinations in the 2004/5 School Leavers Destination Survey found that, by March 2006, around 40% were engaged in employment, education or training. While this does not account for flows in the other direction, i.e. those that had dropped out to become NEET, this suggests that there are significant seasonal variations in the numbers of young people that are NEET.

The above results suggest that estimates of the NEET group based on measurements taken in the summer months are likely to be artificially high, while those in the winter or spring are likely to be significantly lower.

Therefore the different timings of the alternative data sources could be a contributory factor in the wide variations between the estimates of the NEET group. In particular, since the Census is taken in April, when many young people are still enrolled in school, college or university, the NEET group is likely to be relatively small. This could explain to some extent why the Census estimate is smaller than the Labour Force Survey estimate, which is averaged across four quarters. However, the DWP and School Leaver Destinations Survey measure is based on data from the end of August and the beginning of October, when it might be expected that the NEET group was larger, and the measure based on the difference between the estimated population of 16–18s and the numbers in education, employment or training is mostly constructed from averages. As a result, it is not clear how timing could explain the lower estimates on these measures.
CHAPTER SEVEN: CONCLUSIONS AND RECOMMENDATIONS

Selecting measures appropriate to use
The report has considered a number of alternative measures of the NEET group based on four criteria. In this final stage of the report, the focus is on the key uses to which data on the NEET group will be put, and on the conclusions on the most effective measure for each use based on the assessment criteria.

There are three main tasks for which good quality data on the NEET group are required.
- Monitoring change over time in the numbers in the NEET group at the Scotland level.
- Monitoring changes over time in the number in the NEET group by locality.
- Analysing the characteristics of the NEET group, including variations in the incidence of the problem across localities, to help design more effective interventions and allocate resources to deal with the problem on a more rational basis.

Each of these is considered in turn.

Monitoring change over time in the NEET group at the Scottish level
The key assessment criteria for this use of the data are:
- Overall accuracy – to be sure that any changes over time are real rather than due simply to sampling errors or data collection issues.
- Capacity for disaggregation by group or type of young person – to be able to identify whether some groups do not conform to the overall trend.
- Timeliness - to be able to analyse and respond quickly to significant movements in the numbers.

On these criteria, the preferred measure is clearly the administrative database building up from Insight, which scores highly on all these criteria.

The APS and the DWP benefits data/School Leavers Destinations Survey approach both have features that recommend their use until the administrative database is fully operational and tested.
- The APS produces a measure close to the true underlying definition of the NEET group and minimises double counting and other inconsistencies - but sampling errors mean year on year changes will be difficult to detect unless they are substantial.
- The DWP/School Leaver Destinations Survey measure is based on close to 100% samples and will be effective in tracking changes over time – but it is an awkward mix of two different types of measurement systems and seems to underestimate significantly the overall numbers in the NEET group.

Recommendations
Until the administrative database comes on stream, a suitable approach to monitoring change in the NEET group at the Scottish level is as follows.
- Use the APS to generate estimates for the total numbers in the NEET group at a point in time, but indicating clearly that the true number sits within a range due to sampling errors.
- To monitor changes in the NEET group over time use the DWP/School Leaver Destinations Survey data. Although this would be restricted to annual comparisons based on a single month, there is reasonable security that movements over time would reflect real changes given the close to 100% coverage.
• More for internal analysis than external communication, review the rolling annual APS data as each new quarter becomes available with a view to trying to isolate any major changes in numbers which are unlikely to reflect sampling errors.
• Use both the APS and the DWP/School Leaver Destinations Survey approaches to monitor longer-term changes in the composition of the NEET group at the Scottish level, while recognising that APS is a better tool for this task.

Monitoring change over time in the NEET group by localities
All four key assessment criteria are relevant here.
• Accuracy is important to ensure changes in the numbers recorded as NEET are genuine and not due to chance associated with small samples.
• Capacity for geographical disaggregation is critical for the above reason.
• Capacity for disaggregation by group or type of young person helps localities understand whether the nature of the NEET problem is changing over time.
• Timeliness is an important feature to allow local agencies to detect quickly significant changes in the extent of the problem to trigger resource allocation decisions.

The administrative database approach has even greater strength in terms of locality analysis because its aspiration of 100% coverage can generate reliable data in even small population localities, it is rich in terms of the characteristics of the client group and it can generate data frequently – although there will be issues around the procedures for the updating of the client records.

The only other supportable measure in the interim is the combined DWP benefit data/School Leaver Destinations Survey approach. This proxies the good features of the customised administrative database, although it is inferior insofar as it bolts together two quite separate databases, provides a good measure at only one point in the year and has very limited common information on client characteristics.

In terms of monitoring the changing characteristics of the NEET group across localities, gender is one of the few shared variables across the two databases, although a crude age breakdown can be generated by equating the School Leaver data with 16-17 year olds and the DWP data with 18-19 year olds.

Recommendations
• Changes in the size of the NEET group by local authority area should be monitored using the DWP/School Leaver Destinations Survey data. This is restricted to an annual comparison.
• A quarterly proxy for changes in the size of the NEET group by localities should be generated through the DWP data on 18-19 year olds on key benefits.
• The gender mix of the NEET group across localities should be monitored on an annual basis using the DWP/School Leavers Destination Survey measure.
• Quarterly analysis for the other characteristics (such as type of benefit and length of claim) should be carried out using the DWP benefits database.

Analysing the client group
The requirement here is not simply for data on a few limited characteristics of the client group. There is a need to be able to separate the client group into the three groups identified
in the analysis carried out as part of the process of developing the Scottish Executive’s NEET Strategy:

- The **hardest to help** group will often have complex problems requiring intensive and expert support.
- The **intermediate** group tend to have issues more around soft skills, confidence and motivation – and uncertainty about what they want to do.
- Young people who are **in transition** to FE or HE, and simply taking some time out to do other things.

The four criteria for assessing methods of measuring the NEET group are all important here – but with the most important being the capacity to disaggregate the data by group or type of young person.

The proposed administrative database constructed around Insight will offer significant added value in this area by combining the strength of extensive coverage, and the associated higher level of reliability, with the capacity to secure and hold more detailed information on young people beyond the simple indicators such as age and gender. Additionally, this database offers the scope to look at the dynamics of the NEET group by analysing over time movements between the three categories of NEET as well as in and out of the NEET group.

The only other serious alternative here is the APS, with the analysis restricted to the Scottish level. The information on the reasons for being NEET and the length of unemployment can go some way to helping to segment the group into broad categories of young people. The panel aspect of the APS also provides scope for analysing the dynamics of sub-group membership, as well as movement in and out of the NEET group. The other options cannot come close to this level of utility.

**Recommendations**

- The APS must be the principal source of data for segmenting the NEET group into the categories required to guide resource allocation and service delivery – but this should be done only at the Scottish level to maintain reliability.
- Some more limited analysis should be carried out at local authority level using the DWP benefits data where segmentation of 18-19 year olds in the NEET group by gender, duration of claim and the presence of dependent children will be helpful.

**Overview of appropriate NEET measures**

The principal conclusions of the review are as follows.

- The proposed administrative database constructed around Insight is the far superior option in relation to all the tasks where measurement of the NEET group is required.
- It is difficult to cost this option because a key element will be additional Careers Scotland advisor time to input the enhancements to Insight, but the principal cost mitigation is clear insofar as the more effective measurement of the NEET group will be a by-product of an essential client management system.
- In the interim, careful and intelligent use of the APS and the DWP/School Leaver Destination Survey – deployed in tandem – can help with the monitoring and analysis on the NEET group over time and by locality until the new administrative database is operational.
APPENDIX: NEET GROUP BY LOCAL AUTHORITY, 2004

<table>
<thead>
<tr>
<th>Local Authority</th>
<th>Reliability Threshold</th>
<th>NEET Numbers</th>
<th>% NEET</th>
<th>Confidence Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scotland</td>
<td>6,000</td>
<td>35,000</td>
<td>13.2%</td>
<td>± 1.3%</td>
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<tr>
<td>Aberdeen City</td>
<td>3,000</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Aberdeenshire</td>
<td>3,000</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Angus</td>
<td>1,000</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Argyll &amp; Bute</td>
<td>1,000</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Scottish Borders</td>
<td>1,000</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Clackmannanshire</td>
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<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>West Dunbartonshire</td>
<td>1,000</td>
<td>1,000</td>
<td>19.2%</td>
<td>± 7.3%</td>
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<tr>
<td>Dumfries &amp; Galloway</td>
<td>2,000</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Dundee City</td>
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<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>East Ayrshire</td>
<td>1,000</td>
<td>1,000</td>
<td>17.5%</td>
<td>± 7.2%</td>
</tr>
<tr>
<td>East Dunbartonshire</td>
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<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>East Lothian</td>
<td>1,000</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>East Renfrewshire</td>
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<td>*</td>
<td>*</td>
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<td>Edinburgh, City of</td>
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<td>*</td>
<td>*</td>
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<td>Falkirk</td>
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<td>*</td>
<td>*</td>
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<tr>
<td>Fife</td>
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<td>*</td>
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</tr>
<tr>
<td>Glasgow City</td>
<td>5,000</td>
<td>7,000</td>
<td>22.1%</td>
<td>± 8.5%</td>
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<td>Highland</td>
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<td>*</td>
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<td>18.5%</td>
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<td>15.6%</td>
<td>± 8.8%</td>
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<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>North Ayrshire</td>
<td>1,000</td>
<td>1,000</td>
<td>20.5%</td>
<td>± 7.6%</td>
</tr>
<tr>
<td>North Lanarkshire</td>
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<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Orkney Islands</td>
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<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Perth and Kinross</td>
<td>2,000</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Renfrewshire</td>
<td>2,000</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Shetland Islands</td>
<td>1,000</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>South Ayrshire</td>
<td>1,000</td>
<td>1,000</td>
<td>19.5%</td>
<td>± 8.2%</td>
</tr>
<tr>
<td>South Lanarkshire</td>
<td>4,000</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Stirling</td>
<td>1,000</td>
<td>1,000</td>
<td>16.3%</td>
<td>± 9.5%</td>
</tr>
<tr>
<td>West Lothian</td>
<td>3,000</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Eilean Siar</td>
<td>1,000</td>
<td>*</td>
<td>*</td>
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</tbody>
</table>

Notes to table
The reliability threshold is the level that any estimate must exceed in order to be published – figures below this are not considered reliable. * denotes data suppressed due to unreliability.
Source: Annual Population Survey
REFERENCES


