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Research paper

Young People Not in Education, Employment or Training

September 2013

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Research paper

Young People Not in Education, Employment or Training

September 2013

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This research paper provides an overview of the most recent statistics on the levels of young people (aged 16 – 24) who are not in education, employment or training, which were published on 24 July 2013. It also sets out the recent and current policy context of strategies and programmes designed to address what has proven to be a long-term and stubborn problem in Wales and beyond. Some of the wider challenges and issues relating to this subject are also explored.

A new framework for youth engagement and progression will succeed and replace the Youth Engagement and Employment Action Plan for 2011-2015 (expected in autumn 2013).

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Young People Not in Education, Employment or Training

1. Introduction

The proportion of people who are not in education, employment or training has been a significant policy challenge for many years and, although it may have been exacerbated by it, is not an issue that has simply emerged as a product of recession¹ and low economic growth.

The rate of young people who are not in education, employment and training in **Wales has remained relatively consistent** as far back as the 1990s **at around 10-13 per cent for 16-18 year olds.**² The level has also been fairly steady in **England** during the same period, at the **slightly lower rate of 8-10 per cent**³, and between 11 and 14 per cent in Scotland since 2004⁴. Statistics are collated separately for 16-18 and 19-24 year olds.

There is no uniform group of people who fall into this category and the reasons for doing so are varied and complex. Several risk factors have been identified, with two of the most significant being poor educational achievement and low socio-economic status. Others include young people not seeing the benefits of being in employment, education and training; lack of family support; and lack of information on various professions.⁵

In practice, they are a highly diverse group including young people who are unemployed and looking for work, as well as those who are neither employed nor seeking and available for work. Others may have caring responsibilities and / or various other complex needs, or be in a period of transition or a 'gap year'.

The use of the term 'NEET' as a categorisation of young people not in education, employment or training has over recent years become seen by some as too narrow and an unhelpful label. In 2010, this led to the former Minister for Children, Education, Children and Lifelong Learning, Leighton Andrews, warning of the dangers of using the term 'NEET' as a noun:

¹ The UK was in a technical recession (two or more successive quarters of negative economic growth) between Quarter 2 of 2008 and Quarter 3 of 2009. The economy also experienced three quarters of negative and zero growth between Quarter 4 of 2011 and Quarter 2 of 2012, which following statistical revision does not meet the definition of a recession.

² Welsh Government, *Reducing the proportion of young people not in education, employment or training in Wales*, 2009, Figure 1, p9 [accessed 22 July 2013] and Statistical First Release 117/2013, *Participation of young people in education and the labour market (year end 2011 and 2012 (provisional))*, 24 July 2013 [accessed 24 July 2013]

³ Department for Education (England), *NEET Statistics - Quarterly Brief - Quarter 1 2013*, 23 May 2013, Chart 1: NEET historical series for 16-18 year olds: England, end 1985 - end 2012 [accessed 22 July 2013]

⁴ The Scottish Government, *High Level Summary of Statistics Trends - Labour Market*, 20 June 2013, NEET Data [accessed 22 July 2012]

⁵ Cited in Sadler, K. et al, (2011) *Risk factors associated with becoming NEETS: A review of the literature applied to the demographics of the Fenland Area*, Anglia Ruskin University, pp5-6 [accessed 18 July 2013]

'If we think and label young people not in employment, education or training as a single category, using the shorthand 'NEET' to define an individual like the word geek, we miss the complexity of the true picture and the individual challenges young people face in life.'⁶

The negative connotations of using the term 'NEET' as a blanket description were highlighted by the Third Assembly's Enterprise and Learning Committee in its 2010 inquiry⁷ where the Association of Teachers and Lecturers characterised the shortcomings of the label as follows:

The term 'NEET' is *fundamentally* problematic as it classifies a heterogeneous group with one label and is also a negative category.⁸

The Welsh Government places a high priority on tackling levels of young people who are not in education, employment or training and has had several initiatives and programmes in place for a number of years. **A previous target of 93 per cent of young people being in education, employment and training by 2010 was set in 2006⁹ but not achieved**, partially due to the overall economic climate. In its [Tackling Poverty Action Plan 2013](#), published on 3 July 2013, the Welsh Government has set the following **new targets**:

- **Reducing the proportion of 16 to 18 year olds who are not in education, employment or training to 9 per cent by 2017.**
- **A reduction of the level of 19 to 24 year olds relative to the overall UK level by 2017.**

One of the Welsh Government's flagship initiatives, **Jobs Growth Wales**, seeks to address the problem of youth unemployment and the Welsh Government says this has created over 8,349 job opportunities, with 6,352 of these being filled.¹⁰

In an article in the Western Mail on 18 July 2013, Ken Skates, Deputy Minister for Skills and Technology, reasserted that:

Reducing the number of young people who are not in education, employment or training (NEETSs) remains a top priority for us.¹¹

⁶ Welsh Government, News release, [NEET not a noun](#), 8 February 2010 [accessed 22 July 2013]

⁷ National Assembly for Wales, Enterprise and Learning Committee, [Young people not in education, employment or training](#), October 2010, pp14-15 [accessed 22 July 2013]

⁸ National Assembly for Wales, [Association of Teachers and Lecturers \(ATL Cymru's\) Response to the Enterprise and Learning Committee inquiry into young people not in education, employment or training \(NEET\)](#), 2010 [accessed 21 August 2013]

⁹ Target contained in Welsh Government, [The Learning Country Vision to Action](#), 2006 [accessed 21 August 2013]

¹⁰ Welsh Government, [Jobs Growth Wales, August 2013](#), 22 August 2013 [accessed 23 August 2013]

¹¹ Western Mail, [Tackling the problem of NEETS remains top priority in Wales](#), 18 July 2013 [accessed 23 July 2013]

2. Statistics on levels of young people in Wales who are not in education, employment or training

The Welsh Government publishes two different sets of statistics relating to young people who are not in education, employment or training in Wales. **The Statistical First Release (SFR), *Participation of young people in education and the labour market*, is published annually in July** and is the definitive source for estimates of the proportion on young people in Wales who are not in education, employment or training.

A second Statistical Bulletin, *Young people not in education, employment or training*, is published each quarter and provides more timely, though less statistically robust, data and includes analysis by gender, age and region, which is not possible with the annual SFR data. These statistics are based on the Annual Population Survey (APS), which is a household survey carried out by the Office for National Statistics (ONS) of approximately 23,000 people of working age across Wales, although including fewer than 1,500 16 to 18 year olds.

The quarterly Statistical Bulletin (taken from APS) is therefore based on a smaller sample than the more definitive SFR which also sources other ONS data, Welsh Government information from the Pupil Level Annual School Census and further education enrolments, and the Higher Education Statistics Agency, all in addition to the APS.

However, whilst the quarterly information is less robust, results show a maximum difference of no more than 2 percentage points between the SFR and the APS data. (This was a maximum of 1 percentage point before the most recent publication.) The quarterly Statistical Bulletin therefore provides a useful relatively up to date picture.

Both sets of statistics are produced for the two separate age categories of 16-18 and 19-24.

2.1. Statistical First Release: Annual statistics up to the end of 2012

The latest annual Statistical First Release, ***Participation of young people in education and the labour market***, was published on 24 July 2013 providing final revised figures for 2011 and provisional estimates for 2012. As stated above, it is the definitive source of data.

2.1.1. 16 to 18 year olds

- The statistics show that the proportion of **16 to 18 year olds** in Wales who are not in education, employment or training has **fallen from 12.2 per cent in 2011 to 10.2 per cent in 2012**.
- The reduction is more significant amongst males (2.6 per cent percentage points) than for females (1.5 percentage points).
- Despite this, male rates of not being in education, employment or training at 16-18 years old continue to be higher than female rates, as has persistently been the case over the data range since 2004.

2.1.2. 19 to 24 year olds

- The proportion of **19 to 24 year olds** who are not in education, employment or training has **increased slightly from 22.2 per cent in 2011 to 23.0 per cent in 2012**.
- However, there was a decrease amongst females of 0.8 percentage point whilst the rate amongst males rose by 2.2 percentage points.
- In contrast to the 16-18 age range, female cohorts have traditionally had higher rates of falling outside of education, employment or training, although the gap with males has now closed to 3 percentage points.

2.1.3. Balance between education/training and employment

Tables 1-3 show levels of young people not in education, employment or training in Wales as well as a breakdown by gender, over recent years. They also show the extent to which education and training accounts for those that are engaged in one of these three categories. Figure 1 shows the information in Table 1 (both males and females combined) in the form of a line graph.

The *Learning and Skills (Wales) Measure 2009* widened the choice of education and training options to young people by providing for a minimum of 30 courses at level 3 to be available for students aged 16-18. It was also designed to present young people with a more flexible and diverse menu to choose from to suit their own circumstances and needs.

Interestingly, the statistics indicate that for 16 to 18 year olds, in what continues to be a challenging labour market for individuals, **increased uptake of education and training only accounts for around half of the reduction between 2011 and 2012 (and much less so amongst males)**.

However, in the 19-24 age bracket, levels of participation in education and training have remained the same, suggesting the increase amongst males is due to difficulties in accessing employment.

The marked increase for 19 to 24 year olds between 2008 and 2009, coinciding with the impact of the recession during this time, supports the observation regarding the link between male rates at 19-24 and economic climate.

Table 1: Estimated participation in education/training or not engaged in education, employment or training in Wales (both male and female)

<i>Males and Females</i>		<i>per cent</i>		
Year End	16 to 18 year olds		19 to 24 year olds	
	In education or training	Not in education, employment or training	In education or training	Not in education, employment or training
Persons				
2004 (r)	73.8	11.2	38.9	16.2
2005 (r)	75.4	9.9	39.2	17.5
2006 (r)	76.1	9.7	38.9	17.9
2007 (r)	74.6	11.7	38.1	17.4
2008 (r)	75.9	12.4	37.1	17.4
2009 (r)	77.7	12.4	37.9	21.8
2010 (r)	78.9	11.5	38.5	23.0
2011 (r)	80.0	12.2	38.2	22.2
2012 (p)	80.9	10.2	38.2	23.0

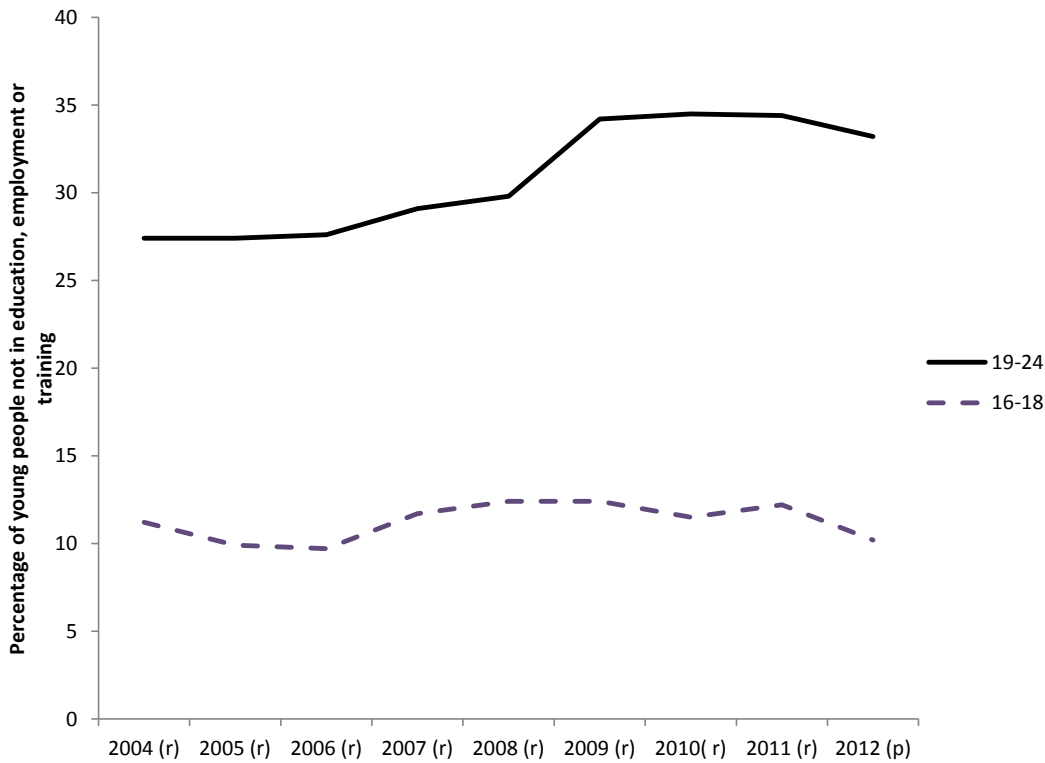
Source: ONS, HESA, Welsh Government, Annual Population Survey: presented in Welsh Government, Statistical First Release 117/2013, [*Participation of young people in education and the labour market \(year end 2011 and 2012 \(provisional\)\)*](#), Table 2, 24 July 2013 [accessed 24 July 2013]

Notes:

(r): denotes data for this year has been revised. It is common for the previous year's figures to be revised; however, the figures for years before that have also been revised by ONS in light of new data from the 2011 Census.

(p): denotes data for this year is provisional.

Figure 1: Percentages of young people not engaged in education, employment or training in Wales (both male and female)



Source: ONS, HESA, Welsh Government, Annual Population Survey: presented in Welsh Government, Statistical First Release 117/2013, [Participation of young people in education and the labour market \(year end 2011 and 2012 \(provisional\)\)](#), Table 2, 24 July 2013 [accessed 24 July 2013]

Notes:

(r): denotes data for this year has been revised. It is common for the previous year's figures to be revised; however, the figures for years before that have also been revised by ONS in light of new data from the 2011 Census.

(p): denotes data for this year is provisional.

Table 2: Estimated participation in education/training or not engaged in education, employment or training in Wales (males only)

<i>Males</i>		<i>per cent</i>		
Year End	16 to 18 year olds		19 to 24 year olds	
	In education or training	Not in education, employment or training	In education or training	Not in education, employment or training
Persons				
2004 (r)	70.7	13.1	36.4	11.9
2005 (r)	72.6	12.3	37.1	14.8
2006 (r)	73.1	11.0	37.1	15.5
2007 (r)	71.4	13.0	36.1	15.3
2008 (r)	74.0	15.1	35.1	15.2
2009 (r)	76.1	14.9	36.2	20.6
2010 (r)	76.8	13.7	37.0	22.0
2011 (r)	77.6	14.4	36.5	19.3
2012 (p)	78.8	11.8	36.4	21.5

Source: ONS, HESA, Welsh Government, Annual Population Survey: presented in Welsh Government, Statistical First Release 117/2013, [*Participation of young people in education and the labour market \(year end 2011 and 2012 \(provisional\)\)*](#), Table 2, 24 July 2013 [accessed 24 July 2013]

Notes:

(r): denotes data for this year has been revised. It is common for the previous year's figures to be revised; however, the figures for years before that have also been revised by ONS in light of new data from the 2011 Census.

(p): denotes data for this year is provisional.

Table 3: Estimated participation in education/training or not engaged in education, employment or training in Wales (females only)

<i>Females</i>		<i>per cent</i>		
Year End	16 to 18 year olds		19 to 24 year olds	
	In education or training	Not in education, employment or training	In education or training	Not in education, employment or training
Persons				
2004 (r)	77.1	9.1	41.4	20.5
2005 (r)	78.4	7.4	41.2	20.2
2006 (r)	79.3	8.2	40.7	20.4
2007 (r)	77.8	10.3	40.1	19.6
2008 (r)	77.9	9.5	39.2	19.7
2009 (r)	79.2	9.8	39.6	23.0
2010 (r)	81.0	9.3	40.0	24.0
2011 (r)	82.4	9.9	39.9	25.3
2012 (p)	83.2	8.4	40.0	24.5

Source: ONS, HESA, Welsh Government, Annual Population Survey: presented in Welsh Government, Statistical First Release 117/2013, [Participation of young people in education and the labour market \(year end 2011 and 2012 \(provisional\)\)](#), Table 2, 24 July 2013 [accessed 24 July 2013]

Notes:

(r): denotes data for this year has been revised. It is common for the previous year's figures to be revised; however, the figures for years before that have also been revised by ONS in light of new data from the 2011 Census.

(p): denotes data for this year is provisional.

2.2. Statistical Bulletin: Quarterly statistics based on the Annual Population Survey (APS)

The latest quarterly Statistical Bulletin, [Young people not in education, employment or training](#), was published on 24 July 2013 (the same day as the SFR). As stated above, this provides a less robust but more timely picture, particularly at other points during the year.

Whereas the SFR only reports as far as the end of 2012, the Statistical Bulletin includes figures for the year leading up to the end of Quarter 1 of 2013 (31 March 2013).

2.2.1. 16 to 18 year olds

- This estimates that as of Quarter 1 2013, **10.9 per cent of 16 to 18 year olds** were not in education, employment or training, which is a 0.9 percentage point reduction from Quarter 4 2012, and a **1.8 percentage point fall from the same point in 2012**.

- To provide some context in terms of the differences between the APS and the SFR data, the 11.8 per cent rate at the end of 2012 compares with 10.2 per cent according to the SFR.

2.2.2. 19 to 24 year olds

- The APS data estimates that as of Quarter 1 2013, **21.3 per cent of 19 to 24 year olds** were not in education, employment or training. This is a **1.6 percentage point fall from Quarter 4 2012 and Quarter 1 2012**, for which the rate for both was 22.9 per cent.
- Again, for comparison the SFR data estimates that 23.0 per cent of 19 to 24 year olds were not in education, employment and training.

2.2.3. Regional variations

The APS data also allows for analysis by the different regions of Wales. However, this is across the whole 16-24 age range rather being broken down into the two stages. Table 4 below shows regional rates for the last three annual intervals. Due to small sample sizes, data is averaged over the preceding three years. **The highest concentration of 16 to 24 year olds who are not in education, employment or training is in South East Wales, with the lowest levels in Mid Wales.**

Table 4: 16 to 24 year olds not in education, employment or training in Welsh regions (three year averages)

	<i>per cent</i>		
	2009Q1 - 2012 Q1	2010Q1 - 2012 Q1	2011Q1 - 2013 Q1
North Wales	15.3	16.8	16.8
Mid Wales	12.0	13.3	12.2
South West Wales	19.8	19.5	18.6
South East Wales	20.0	21.5	21.3
Wales	18.5	19.6	19.2

Source: Annual Population Survey: presented in Welsh Government, Statistical Bulletin, [Young people not in education, employment or training \(NEET\) \(Year to 31 March 2013\)](#), 24 July 2013, Table 3 [accessed 24 July 2013]

Notes:

The regions are those used by the Department for Education and Skills.

- North Wales: Isle of Anglesey, Gwynedd, Conwy, Denbighshire, Flintshire, Wrexham
- Mid Wales: Powys, Ceredigion
- South West Wales: Pembrokeshire, Carmarthenshire, Swansea, Neath Port Talbot
- South East Wales: Bridgend, Vale of Glamorgan, Rhondda Cynon Taf, Merthyr Tydfil, Caerphilly, Blaenau Gwent, Torfaen, Monmouthshire, Newport, Cardiff

2.2.4. Rates for Year 11 and Year 13 leavers by local authority

There is also some limited information in the Statistical Bulletin giving an indication of proportions of young people not in education, employment or training at a local authority level. However, this is only provided for young people at the stage of **leaving Year 11 in education** and is based on Pupil Destination Surveys. These are carried out by Careers Wales annually and survey all leavers from maintained schools in Wales (including special schools, pupil referral units and some learners educated other than at school) to identify their destinations as at the end of the October following completion of Year 11.

They can therefore be used to some extent to estimate rates of young people not in education, training or employment immediately after leaving compulsory age education for each local authority area in Wales.

Information for October 2012 (following Year 11 2011/12) is presented in Table 5 below, along with equivalent levels for previous years.

It can be seen that the picture is quite varied across Wales with **Powys, Ceredigion, Flintshire and Anglesey** having the lowest rates of **Year 11 leavers in 2012 not in education, employment or training** and **Cardiff, Bridgend, Merthyr Tydfil and Caerphilly** having the highest.

There is also information contained on the StatsWales website regarding destinations of **Year 13 leavers** and this is presented in Table 6. Again, the situation across Wales is mixed although interestingly it is not necessarily the same local authority areas that experience the highest and lowest levels of young people not in education, employment or training on leaving Years 11 and 13 respectively. **Flintshire, Conwy and Powys** had the lowest levels for **Year 13 leavers**, while **Rhondda Cynon Taf, Blaenau Gwent and Torfaen** had the highest.

It is also worth noting that **the overall level across Wales of young people not in education, employment or training has decreased since 2008 at the point of exit from Year 11** although it increased during the same period for **Year 13 leavers** until a recent fall between 2011 and 2012.

Table 5: Year 11 leavers for schools in Wales known not to be in education, employment or training by unitary authority

	<i>per cent</i>					
	2007	2008	2009	2010	2011	2012
Isle of Anglesey	6.7	8.1	5.2	5.3	2.7	2.4
Gwynedd	4.4	5.7	4.2	3.6	3.6	3.0
Conwy	5.5	5.7	4.8	3.7	4.0	3.4
Denbighshire	4.9	6.2	4.4	4.4	3.6	2.9
Flintshire	4.6	7.2	3.7	2.8	2.7	2.3
Wrexham	8.9	9.6	5.0	4.2	3.4	3.2
Powys	5.3	3.0	2.1	2.9	3.0	2.2
Ceredigion	2.6	3.8	2.3	2.3	3.3	2.3
Pembrokeshire	4.7	6.4	4.8	4.8	3.8	3.1
Carmarthenshire	5.5	4.4	4.0	2.9	2.8	4.3
Swansea	5.8	5.8	6.4	4.2	3.1	3.2
Neath Port Talbot	9.0	7.7	7.1	6.6	4.6	3.1
Bridgend	7.3	8.0	7.6	7.1	4.4	6.4
The Vale of Glamorgan	6.8	6.2	5.6	4.6	4.3	3.9
Cardiff	8.5	10.6	8.9	8.8	7.7	6.7
Rhondda Cynon Taff	7.5	6.1	4.9	5.7	3.9	4.5
Merthyr Tydfil	7.9	7.8	4.6	7.6	5.6	6.2
Caerphilly	7.1	7.1	5.0	6.0	4.5	5.9
Blaenau Gwent	10.4	9.7	6.6	8.7	6.6	4.2
Torfaen	10.5	10.1	8.2	7.0	6.7	5.5
Monmouthshire	5.6	5.3	5.0	3.9	3.8	3.8
Newport	9.3	10.4	9.1	7.5	6.7	4.9
Wales	6.9	7.1	5.7	5.4	4.4	4.2

Source: Careers Wales Pupils Destinations from Schools in Wales: presented in Welsh Government, Statistical Bulletin, [*Young people not in education, employment or training \(NEET\) \(Year to 31 March 2013\)*](#), 24 July 2013, Table 5 [accessed 25 July 2013]

Table 6: Year 13 leavers for schools in Wales known not to be in education, employment or training by unitary authority

	<i>per cent</i>					
	2007	2008	2009	2010	2011	2012
Isle of Anglesey	1.4	1.8	1.0	3.9	3.8	5.3
Gwynedd	2.1	2.9	4.9	3.2	3.9	3.2
Conwy	2.5	2.0	2.0	6.0	1.8	2.4
Denbighshire	2.7	2.4	5.4	6.2	5.6	4.1
Flintshire	4.0	5.6	6.1	7.0	4.2	1.8
Wrexham	3.3	3.8	8.9	4.7	7.1	6.4
Powys	1.7	3.6	1.7	3.0	3.5	3.0
Ceredigion	4.7	5.9	4.7	4.4	7.6	4.3
Pembrokeshire	2.7	3.2	4.0	5.0	5.2	3.5
Carmarthenshire	3.4	3.7	6.6	5.9	4.9	3.6
Swansea	3.8	4.5	5.8	7.2	7.9	4.5
Neath Port Talbot	7.6	6.2	5.9	4.7	8.8	3.9
Bridgend	4.1	5.7	5.6	7.7	5.7	6.2
The Vale of Glamorgan	3.1	5.3	6.5	4.3	7.7	4.4
Cardiff	3.6	4.5	5.5	6.2	8.4	4.9
Rhondda Cynon Taff	11.3	13.9	16.5	11.6	9.9	9.0
Merthyr Tydfil	10.4	8.3	7.6	7.3	5.2	4.3
Caerphilly	3.5	4.5	7.1	6.6	5.1	6.8
Blaenau Gwent	10.2	9.9	6.6	8.2	7.6	7.2
Torfaen	7.4	6.2	5.5	8.7	5.5	7.0
Monmouthshire	3.4	3.9	9.6	6.6	7.7	5.4
Newport	3.2	4.5	5.5	6.9	6.9	6.5
Wales	4.6	5.6	6.6	6.6	6.4	5.1

Source: Extracted from Careers Wales Pupils Destinations from Schools in Wales: presented in StatsWales, [*Destinations of Year 11 pupils in schools in Wales by local authority and year \(EDUC0055\)*](#), April 2013 [accessed 21 August 2013]

3. The Welsh policy context

3.1. Targets

The policy context to tackling levels of young people not in education, employment or training is well established, with policy interventions dating back many years.

The Welsh Government's 2006 strategy document [*The Learning Country: Vision into Action*](#) included a target outcome of an increase in the level of 16 to 18 year olds in employment, education or training to 93 per cent by 2010, with a milestone of 90 per cent by 2007. Under either statistical measure described in section 2, the 93 per cent (based on 7 per cent not in education, employment or training) target was not achieved.

The lowest point that the proportion of 16 to 18 year olds not in education, employment or training reached was in fact in 2006, the year the target was set. It was 9.7 per cent according to the SFR (year end 2006) and 10.3 per cent according to the APS figures (Quarter 4 2006). The achieving or otherwise of the target was always likely to be influenced by **wider economic factors across the UK and the recession of 2008 and 2009** played a considerable role in this regard. There is further discussion in section 5 of this paper on placing rates of young people not in education, employment or training in Wales in the context of UK economic growth.

The Welsh Government's [*Tackling Poverty Action Plan*](#), published in July 2013, sets a target that the proportion of **16 to 18 year olds not in education, employment or training reduces to 9 per cent by 2017**. Perhaps recognising that not all of the means and methods of influencing rates at **19 to 24 years** are at its disposal, the Welsh Government set a target that rates in this age bracket **reduce relative to UK levels as a whole by 2017**.¹² Also remaining is the *Learning Country* target by 2015 that 95 per cent of young people by the age of 25 will be ready for high skilled employment or higher education.

¹² Welsh Government, [*Building resilient communities: Taking forward the Tackling Poverty Action Plan*](#), July 2013, p19 [accessed 26 July 2013]

3.2. *Developments in the Third Assembly (2007 – 2011)*

There were a number of One Wales¹³ commitments by the coalition Assembly Government of 2007-2011 regarding young people not in education, employment or training. These included increasing overall employment rates, increasing the number of apprenticeships, widening participation in further and higher education, and creating links between education and entrepreneurship.

The One Wales Government produced a strategy, *Reducing the proportion of young people not in education, employment or training in Wales*, in 2009 which **focused on the 16-18 age group only**. It said that this was because people at this age were particularly vulnerable as they lay between the age of compulsory education and eligibility for the main welfare benefits. The Welsh Government outlined its approach in terms of providing young people with the right options to use as a platform for the rest of their lives.

We know that most young people who are NEET say that it is because the right learning provision or employment opportunities are not available, or that they do not have the qualifications to progress. The central part of our response to the NEET issue, therefore, has to focus on trying to engage young people more effectively in learning by offering them a wider choice of options as to what and how they study as they move through their education, and on making sure that their choices give them the skills they need to progress into sustained employment.¹⁴

The Enterprise and Learning Committee's 2010 inquiry into the subject concluded:

'there is no shortage of aspiration or strategies for young people in Wales not in education, employment or training, but there is a need for more effective action on the ground' and that 'it is deeply worrying that so many of our young people are being failed by the system'.¹⁵

The Committee was also 'convinced of the need for clearer, dedicated leadership', both at a national and local level, recommending that there should be one Minister leading on the co-ordination of strategy and action plans, the monitoring of implementation and having accountability at a national level. Currently, overall responsibility rests with the Minister for Education and Skills, Huw Lewis, whilst the Deputy Minister for Skills and Technology, Ken Skates, has, for all practical purposes, day to day responsibilities.¹⁶

¹³ Welsh Assembly Government, *One Wales: A progressive agenda for the government of Wales. An agreement between the Labour and Plaid Cymru Groups in the National Assembly for Wales*, June 2007 [accessed 22 July 2013]

¹⁴ Welsh Government, *Reducing the proportion of young people not in education, employment or training in Wales*, 2009, p6 [accessed 22 July 2013]

¹⁵ National Assembly for Wales, Enterprise and Learning Committee, *Young people not in education, employment or training*, October 2010, pp40-41 [accessed 22 July 2013]

¹⁶ Welsh Government, *Ministerial responsibilities of the Minister for Education and Skills, Huw Lewis; Ministerial responsibilities of the Deputy Minister for Skills and Technology, Ken Skates* [accessed 22 July 2013]

The Committee also recommended that there should be greater focus on the broader 16-25 age group of young people, as the strategies to date had concentrated on the 16 to 18 bracket. This was particularly significant as the statistics show that the rate of 19 to 24 year olds is considerably higher, and arguably of greater concern. For 16 to 18 year olds, the proportion has been around 12 per cent since 2009, falling to just over 10 per cent in 2012, whereas for 19 to 24 year olds it has been 22 to 23 per cent since 2009, up from a range of 17 to 18 per cent in previous years.¹⁷

Around the time of the Committee's review and the Welsh Government's response, a new unit was set up within the Department for Education and Skills in 2011 to drive policy and lead activity that supports young people into education, training and employment opportunities in Wales. It was described by the Welsh Government as ensuring coherence in the overall departmental approach to youth engagement and employment. This unit later emerged as part of a larger Youth Engagement and Employment Division, which was established in 2012.

3.3. Youth Engagement and Employment Action Plan 2011-2015

The then Minister for Children, Education and Lifelong Learning, Leighton Andrews, made a [Cabinet Statement](#) on 12 January 2011 giving details of the Welsh Government's new [Youth Engagement and Employment Action Plan 2011-2015](#). The statement included a recognition that, since the Welsh Government had published its 2009 strategy and action plan, the economic landscape had changed 'dramatically'. The Minister also said that a much broader view had been taken of the issue rather than the 16-18 age range, both in terms of **early interventions from birth and beyond 18 to 24/25 years of age.**

This reflected the Welsh Government's response to the Committee report, which had stated:

The new Action Plan has a much broader view than 16–18 year olds, concentrating on preventing young people from disengaging, looking at key transition points in a young person's life and engaging young adults, up to 25 years of age.¹⁸

¹⁷ Welsh Government, Statistical First Release 117/2013, [Participation of young people in education and the labour market \(year end 2011 and 2012 \(provisional\)\)](#), Table 2, 24 July 2013 [accessed 24 July 2013]

¹⁸ Welsh Government, [Welsh Assembly Government response to the Enterprise and Learning Committee's recommendations in the report: Young people not in education, employment or training](#), January 2011, p8 [accessed 22 July 2013]

The statement also highlighted the **preventative measures the Welsh Government intended would lead to greater youth engagement** in the long-term such as the Literacy and Numeracy programmes, the Welsh Government's Child Poverty Strategy and existing programmes including Flying Start and the Foundation Phase. It also cited policies such as the Pathways to Apprenticeships and Young Recruits programmes as well as the retention of Education Maintenance Allowances for young people from low income households.

The Minister's statement said that the Action Plan had as its overall aim the reduction of the number of young people who are, or at risk of becoming, not in education, employment or training, although no quantifiable target was set in that statement. As discussed above, the Tackling Poverty Action Plan of July 2013 sets targets for both the 16-18 and 19-24 age categories.

The Youth Engagement and Employment Action Plan itself consisted of 18 actions with various timescales attached to them. Seven of these were of an ongoing nature whilst the others had fixed deadlines.

3.3.1. Progress against the Action Plan

On 17 January 2013, the then Deputy Minister for Skills, Jeff Cuthbert, issued a [statement](#) and **update on progress against the eighteen actions contained in the Action Plan**. He said that some of the actions had now been completed, significant progress made against others, and that in a number of cases further progress was still needed as actions were planned for completion by 2015.

Progress outlined by the Deputy Minister included the following [not exhaustive]:

- A more coherent 'routeway' providing a flexible but integrated journey for young people towards sustainable employment through a better alignment of Welsh Government support under the **Pathway to Work** concept;
- Extension of apprenticeship opportunities using the additional £20 million allocated in the 2013/14 budget, through programmes such as **Pathways to Apprenticeships, Young Recruits, and the Apprenticeship Matching Service**;
- 'Real conversation' events involving business leaders and young people aimed at exploring solutions that may enable both young people to access work and employers to recruit successfully;
- Trialling of a new overall approach consisting of six key building blocks with eight local authorities and other partners;
- An integrated approach to assisting families whose children may be at risk of becoming not in education, employment or training through the **Families First** programme;

- Inclusion of strategies and approaches to deal effectively with pupils at risk of becoming not in education, employment or training in a new website providing resources for teachers;
- Strengthened transition arrangements between primary and secondary education, and from secondary education to employment;
- Policy interventions to improve literacy and numeracy skills through dedicated strategies and the national literacy and numeracy framework and annual reading and numeracy tests;
- Piloting in five schools of extending the 14-19 Learning Coach model to the earlier stage of 11-14;
- Promoting entrepreneurship amongst young people through the new **Traineeship Programme** and the **Young Entrepreneurs Bursary** available under Jobs Growth Wales;
- £3.4 million Getting Ahead programme managed by the Big Lottery, offering supported paid work placement for young people aged 16-18 for 25 hours per week for a period of six months paid at minimum wage. (The programme targets young people who have offended and young care leavers who are not engaged in education, employment or training);
- Local authority led trails to develop a more robust system for tracking and identification of young people at risk enabling support to be better targeted.

(Further information on actions the Welsh Government is taking in respect of young people not in employment, education or training is given in the context of the Programme for Government in section 4.)

3.4. Transition from Action Plan to Framework

The Deputy Minister also announced in his 17 January 2013 statement that he had decided the time was right to make the transition from the existing 18 point Action Plan to a **Framework for Youth Engagement and Progression**, developed on the basis of good practice identified by a number of local authorities. In his statement, Jeff Cuthbert said this followed his [scrutiny session](#) before the Enterprise and Business Committee on 2 May 2012 when he had updated Members on the Welsh Government's response to the Committee's Inquiry.

Subsequently, the then Minister for Education and Skills, Leighton Andrews issued a further [statement](#) on 28 April 2013, confirming that the six building blocks for the framework would be:

- Identifying young people most at risk of disengagement;
- Better brokerage and co-ordination of the support they need;
- Stronger tracking and effective transition of young people through the stages of education, training and employment;

- Ensuring provision meets the needs of young people;
- Strengthening employability skills and opportunities for employment; and
- Greater accountability for local authorities and other stakeholders.

The Minister said in his statement that an implementation plan for the Framework would be published in September 2013, which was confirmed by a Welsh Government [Cabinet Decision Report](#) dated 26 July 2013.

4. The Programme for Government and Jobs Growth Wales

4.1. *The Programme for Government*

The Welsh Government has set out its commitment to taking action on the issue of young people who are not in education, employment or training in its Programme for Government, saying in its 2012 Annual Report that:

Reducing the number of young people who are, or are at risk of becoming, NEET, remains a stubborn challenge and key priority. The damage that is caused for the prospects of young people who are NEET, as well as for their own children, is well understood, as is the cost to the overall public purse.¹⁹

The Welsh Government also recognised the different challenges in respect of the two different age categories considered as ‘young people’. This is in terms of **19 to 24 year olds feeling more impact from the prevailing economic climate and the issues affecting 16 to 18 year olds tending to be more long term and perhaps more intractable.**

The data suggests that for 16 to 18 year olds who are not engaged in education, employment or training (NEET) it is less likely that economic circumstances are a key factor than is the key case for 19 to 24 year olds. Over a long time period the figures have been consistent at around 10 per cent to 12 per cent reflecting underlying structural issues which persist through all economic conditions.²⁰

The statistics support this conclusion with the significant change that took place during the onset of the recession between 2008 and 2009 in the totals for 19 to 24 year olds as well as their breakdown for both males and females. They showed that 19 to 24 year olds were affected more than 16 to 18 year olds and that this was relevant for both males and females.

Policies to address the issue through driving up educational standards and achievement of young people are inevitably focused on in the ‘Education’ chapter of the Programme for Government. Most of the commitments, however, to address the specific issues of youth unemployment and numbers of young people not in education, employment and training are contained in the first chapter, ‘Growth and Sustainable Jobs’.

Table 7 presents the relevant commitments from the Growth and Sustainable Jobs chapter of the Programme for Government as well as the progress to date reported by the Welsh Government in its Annual Report, which was published in June 2013. This is not an exhaustive list and they have been selected based on judgements of their direct relevance.

¹⁹ Welsh Government, *Programme for Government Annual Report 2012*, May 2012 p15 [accessed 21 August 2013]

²⁰ *Ibid*, p15 [accessed 21 August 2013]

Table 7: Selection of Action Commitments in the Programme for Government²¹

Commitment	Progress to date (reported by Welsh Government, June 2013)
<p>1/002 Welsh Government to tackle youth unemployment by creating a young people's jobs and training fund and extend apprenticeship opportunities for young people.</p> <p>Establish a Welsh Jobs Fund offering employment or training for our young people.</p>	<p>The Jobs Growth Wales (JGW) programme provides unemployed young people aged 16-24, with a job opportunity for a six month period paid at the national minimum wage. The programme aims to create 12,000 opportunities over 3 years. Following a pilot, the full JGW programme was launched on 3 April 2012. At the end of year one of delivery nearly 6,000 job opportunities had been created through the programme and 4,042 young people were employed in jobs created through JGW. The programme continues to experience high demand from employers and a high level of interest from young people, and we look forward to continuing the success of the programme into year two of delivery.</p>
<p>1/033 Introduce a successor to the Skill Build programme that will offer enhanced support, including entry-level 'engagement' training for young people facing the worst barriers to employment.</p>	<p>Traineeships were introduced in August 2011.</p> <p>The Traineeships programme supports young people to gain confidence and motivation and improve skill levels through the delivery of NVQs in a chosen occupational area. Young people also gain valuable work experience, which aids their transition into employment. There are three defined pathways or strands:</p> <ul style="list-style-type: none"> • Entry level 'engagement' option before learners are ready to participate immediately in employment or learning at levels 1,2 or 3; • Level 1 training option for learners who are occupationally focused and able to follow a learning programme at NVQ1 or equivalent; • Level 2 training option (known as the Bridge to Employment) which aims to link employment-ready young people who have completed the Level 1 training but have not secured employment or further learning at higher level. <p>Traineeship success is measured as progression by young people into employment or further learning at a higher level.</p>
<p>1/034 Continue the commitment to increase apprenticeship opportunities through the Pathways to Apprenticeship programme, with a special focus on youth engagement and employment, and tackling youth unemployment.</p>	<p>The Pathway to Apprenticeship scheme (PtA) supports young learners, between 16 and 24 years of age, through intensive training to put them on the pathway to becoming an apprentice.</p> <p>2,014 learner places were commissioned as part of the PtA planning exercise. 1,744 learners remain engaged (2012/13 cohort) and they were due to complete at the end of July 2013.</p>

²¹ Welsh Government, Programme for Government Annual Report June 2013, [Complete Annex](#), [accessed 23 July 2013]

Table 7: Selection of Action Commitments in the Programme for Government²²

Commitment	Progress to date (reported by Welsh Government, June 2013)
<p>1/039 Continue to extend the Young Recruits' programme to respond to continued demand from employers and from young people, and it is hoped that 1,000 young people will benefit over the next year.</p>	<p>The Young Recruits Programme supports the continuation of apprenticeship training during the economic downturn. It also helps employers offering high quality apprenticeship programmes to recruit and train additional young apprentices.</p> <p>Demand for the programme has increased. As of 31 March 2013, 2,160 learners have engaged with the programme.</p> <p>From April 2013, Welsh Government said it would provide direct support to employers, particularly micro businesses, via the Young Recruits programme, offering a wage subsidy to eligible employers who create new or additional apprenticeship places for 16-24 year olds (£100 per week for 26 weeks and £50 a week for the remaining 26 weeks). 2,000 new places available from April 2013.</p>
<p>1/040 Roll out the Apprenticeship Matching Service across Wales later this year. This web-based service will enable potential apprentices to register, search for apprenticeship vacancies and apply for apprenticeships. Employers will be able to register their companies, link to local training providers and post apprenticeship vacancies.</p>	<p>The Apprenticeship Matching Service was successfully rolled out across Wales on 15 June 2011.</p> <p>The Service is hosted on the Careers Wales website. Careers advisers have direct access to 'live' employer vacancies available when offering advice to clients of all ages. A total of 1,403 jobs were advertised between 1 April 2012 and 31 March 2013.</p>
<p>1/046 Evaluate current post-16 basic skills activity and define policy to influence future delivery.</p>	<p>Research was commissioned to evaluate post-16 Essential Skills in 2012. The research feeds into a wider policy framing our approach to essential skills throughout education and its potential links to under-achievement and unemployment in later life. Research to inform essential skills quality assurance and delivery in the workplace is to be reported in May 2013. An Essential Skills Policy Statement is planned for 2014.</p>

²² Welsh Government, Programme for Government Annual Report June 2013, [Complete Annex](#), [accessed 23 July 2013]

Table 7: Selection of Action Commitments in the Programme for Government²³

Commitment	Progress to date (reported by Welsh Government, June 2013)
<p>1/047 Refocus resources on the most effective interventions, following a review of activities designed to help people not in education, training or employment.</p>	<p>The review of provision for young people aged 16-24 has been incorporated into the development of the ‘Engagement and Progression Framework’. The (then) Deputy Minister for Skills issued a Written Statement in January 2013 on the transition from the current Youth Engagement and Employment Action Plan to a Framework for Youth Engagement and Progression. An oral statement was made on 23 April launching the new 6-point Framework. The Framework is being developed around the needs of young people, strengthening the accountability of different agencies in the system for delivering better outcomes for young people. Implementation plan to be published September 2013.</p>

4.2. Jobs Growth Wales

The Welsh Government describes the Jobs Growth Wales programme as an important part of its response to the ‘worrying’ levels of youth unemployment in the UK and Wales, which it says is ‘blighting the lives of young people in Wales’. **The Welsh Government aims to create twelve thousand job opportunities for young people over three years and says ‘the programme is working’.**²⁴

Jobs Growth Wales caters for young people who are job ready but have had difficulty securing employment. The programme provides unemployed young people aged 16 to 24, with a job opportunity for a six month period paid at the national minimum wage for a minimum of 25 hours per week. Young people will be employed for the duration of the programme and the jobs created must be additional to, and not replace, positions that would otherwise be filled.

The costs of employing young people for the first six months are reimbursed to businesses. The programme is part-funded by the European Social Fund through the Welsh Government.

In an oral statement to Plenary on 14 May 2013, the then Deputy Minister for Skills and Technology, Jeff Cuthbert, said that in its first year (April 2012 – April 2013) **Jobs Growth Wales had exceeded its target** by creating six thousand job opportunities with 4,042 of these filled by young people.

Monthly data which the Welsh Government has begun publishing showed that as of 10 August 2013, **8,349 job opportunities had been created, with 6,352 young people filling these jobs.**²⁵

²³ Welsh Government, Programme for Government Annual Report June 2013, [Complete Annex](#), [accessed 23 July 2013]

²⁴ Welsh Government, Deputy Minister for Skills and Technology (Jeff Cuthbert), [Jobs Growth Wales: One Year In](#), Cabinet Oral Statement, 14 May 2013 [accessed 21 August 2013]

²⁵ Welsh Government, [Jobs Growth Wales, August 2013](#), Table 1, 22 August 2013 [accessed 23 August 2013]

The ambition for the programme is that all of the job opportunities will be sustained by the host employer after the six months has completed. Of crucial significance, therefore, is **what happens to the young people after the Welsh Government funded phase of the job has ended**, as well as whether individuals completed the duration of the six month period. This has been the focus of considerable debate within the Assembly.

The [statistics](#) as of 10 August 2013 show that under the programme's largest strand, the private sector strand, of the 4,960 jobs filled, **1,776 young people had completed the six month period and that 771 had left the scheme early**. Table 8 below shows the destinations for those that completed whilst the destinations / reasons for those who left the scheme early are shown in Table 9.

The figures show that of the 1,776 young people who had completed the six months, 1,362 (77 per cent) went on to either employment, an apprenticeship or learning. Of the 6,352 young people filling opportunities, 539 (8 per cent) had left the scheme early and not gone into employment, apprenticeships or learning.

The Welsh Government publishes this information on a monthly basis. In addition, it is intended that more detailed information will be published in the future, such as data by area, gender and strand.

Table 8: Destinations for those who have completed a six months Jobs Growth Wales opportunity (at 10 August 2013)

Destination	Number
Further Education, training or other government training programme	36
Employed (same employer)	733
Employed (different employer) or self-employed	168
Apprenticeships/YRP (same employer)	417
Apprenticeships/YRP (different employer)	8
Unemployed (including those working less than 16 hours)	267
Other	147
Total	1,776

Source: Welsh Government, [Jobs Growth Wales, August 2013](#), Table 1, 22 August 2013 [accessed 23 August 2013]

Table 9: Destinations for those leaving Jobs Growth Wales scheme early (at August 2013)

<u>Destination / Reason</u>	<u>Number of early leavers before six months</u>
Further Education, training or other government training	21
Employed (same employer)	36
Employed (different employer) or self-employed	170
Apprenticeships / YRP (same employer)	*
Apprenticeships / YRP (different employer)	*
Personal reasons leading to drop out	190
Health reasons leading to drop out	29
Other	320
Total	771

Source: Welsh Government, [*Jobs Growth Wales, August 2013*](#), Table 2, 22 August 2013 [accessed 23 August 2013]

Notes:

a) YRP = Young Recruits Programme

b) * = Potentially disclosive cells (containing figures smaller than 5) have been suppressed

5. The UK context

5.1. Comparisons between UK nations

The Statistical Bulletin, [*Young people not in education, employment or training \(NEET\) \(Year to 31 March 2013\)*](#), provides estimates of rates of young people not in education, employment or training for each country within the UK. These are based on data from the Annual Population Survey. The Statistical Bulletin explains that these estimates differ from those used by the Department for Education in England and the Office for National Statistics which are based on the Quarterly Labour Force Survey, which itself cannot be used for comparisons between the UK and Wales. The Statistical Bulletin therefore advises that **the estimates it provides for the different UK nations should be treated with caution.**²⁶

Table 10: Estimates of the proportion of young people not in education, employment or training, by UK country

	<i>per cent</i>			
	16 to 18 year olds		19 to 24 year olds	
	2011	2012	2011	2012
Wales	13.2	11.8	22.1	22.9
England	10.8	9.7	19.5	19.1
Scotland	12.9	12.4	17.5	16.4
Northern Ireland	11.2 (!)	6.3 (!)	19.9	20.8
UK	11.1	9.9	19.5	19.1

Notes:

(!!) The data item is based on between approximately 10 and 25 responses and is categorised as being of low quality.

(!) The data item is based on between 25 and 40 responses and is categorised as being of limited quality.

Source: Annual Population Survey : presented in Welsh Government, Statistical Bulletin, [*Young people not in education, employment or training \(NEET\) \(Year to 31 March 2013\)*](#), 24 July 2013, Table 4 [accessed 24 July 2013]

²⁶ An [article](#) explaining the difference between such statistics across the UK was published by the ONS in May 2013, alongside its first publication of UK estimates of young people who are not in education, employment or training.

5.2. UK economic growth

Some of the most important policy levers for influencing rates of young people in employment are reserved at Westminster, for example overall UK fiscal policy, and welfare policy and reform.

According to the Statistical First Release figures (Table 1 earlier in this paper), the proportion of **16 to 18 year olds** not in education, employment or training rose to a **peak of 12.4 per cent in 2008 and 2009** and 12.2 per cent in 2011 before the latest **drop to 10.2 per cent in 2012**.²⁷ The APS figures shows that it was also in **2008 (Quarter 4) and Quarter 2 of 2009 that the rate climbed to a (up to then) high of 12.9 per cent**. It fluctuated at slightly lower levels throughout 2010 and most of 2011, before climbing to a **peak of 13.5 per cent at Quarter 4 of 2011** and then falling steadily to its **most recent level of 10.9 per cent at Quarter 1 of 2013**.²⁸

In evaluating why the target that 93 per cent of 16-18 year olds would be in education, employment or training by 2010 was missed, and the reasons for the trends at both ages 16-18 and 19-24, it is important to note the context of what happened to the UK economy during that time. **Table 11 below gives the quarterly rates of young people not in education, employment or training from the Statistical Bulletin (APS data) alongside quarterly Gross Domestic Product (GDP) growth rates for the UK economy.**

It would appear that the greater impact from the recession which occurred in 2008 and 2009 was on 19 to 24 year olds. Due to employment often being considered as a 'lagging indicator'²⁹, the full impact of low or negative economic growth tends not to be felt until several quarters later. **Table 11 shows that from being 16.9 per cent as of Quarter 3 in 2008 the level of 19 to 24 year olds not in education, employment or training rose to 21 per cent by Quarter 4 2009 and has not returned below this point since. Throughout this period, economic growth per quarter, as measured by GDP increases, has not exceeded 1 per cent and there have been several quarters since the actual recession where the economy has contracted or not grown at all.**

²⁷ Welsh Government, Statistical First Release 117/2013, *Participation of young people in education and the labour market (year end 2011 and 2012 (provisional))*, Table 2, 24 July 2013 [accessed 24 July 2013]

²⁸ Welsh Government, Statistical Bulletin, *Young people not in education, employment or training (NEET) (Year to 31 March 2013)*, 24 July 2013, Table 2 [accessed 25 July 2013]

²⁹ Professor Michael Kuczynski, *Unemployment is a lagging indicator*, Financial Times Letters Page, 9 August 2013 [accessed 21 August 2013]

This might be a reason the target the Welsh Government has set for reducing levels amongst 19 to 24 year olds is conditional on total rates in the UK, and therefore the overall performance of the UK economy. Given the UK Government has responsibility for the overall direction of the economy and for rates of economic growth, **UK-wide factors therefore have some bearing on levels of young people not in education, employment or training in Wales.** Arguably, this is particularly the case at the 19-24 age level, where young people are more affected by economic policies and circumstances, whilst 16 to 18 year olds are perhaps more influenced by education and training interventions.

Table 11: Levels of young people in Wales not in education, employment or training by quarter, alongside UK economic growth

	<i>per cent</i>		
	16 to 18 year olds Not in education, employment or training	19 to 24 year olds Not in education, employment or training	Gross Domestic Product Quarter on Quarter Growth (CVM SA)
2006 Q1	11.8	18.0	0.4
2006 Q2	10.8	17.8	0.3
2006 Q3	11.4	18.7	0.2
2006 Q4	10.3	18.6	0.8
2007 Q1	10.3	18.6	1.0
2007 Q2	11.6	18.4	1.3
2007 Q3	12.3	18.0	1.2
2007 Q4	12.5	17.6	0.1
2008 Q1	12.0	17.4	0.1
2008 Q2	11.8	17.0	-0.9
2008 Q3	12.2	16.9	-1.4
2008 Q4	12.9	17.5	-2.1
2009 Q1	12.2	18.7	-2.5
2009 Q2	12.9	19.1	-0.4
2009 Q3	12.0	19.5	0.0
2009 Q4	12.1	21.0	0.4
2010 Q1	12.6	22.3	0.5
2010 Q2	11.5	22.1	1.0
2010 Q3	12.3	22.8	0.4
2010 Q4	11.4	23.1	-0.2
2011 Q1	12.5	23.0	0.5
2011 Q2	12.7	23.3	0.1
2011 Q3	12.7	23.2	0.6
2011 Q4	13.2	22.1	-0.1
2012 Q1	13.5	22.9	0.0
2012 Q2	13.0	23.7	-0.5
2012 Q3	12.7	22.9	0.7
2012 Q4	11.8	22.9	-0.2
2013 Q1	10.9	21.3	0.3

Notes: CVM: chained volume measures. SA: Seasonally adjusted

Source: Annual Population Survey : presented in Welsh Government, Statistical Bulletin, [Young people not in education, employment or training \(NEET\) \(Year to 31 March 2013\)](#), 24 July 2013, Table 2 [accessed 24 July 2013]; Office for National Statistics, [Quarterly National Accounts, Q1 2013 Dataset](#), 27 June 2013 [accessed 25 July 2013]

5.3. UK Government policies

5.3.1. The Work Programme

The Work Programme was introduced in 2011 and is the UK Government's flagship policy for transferring people from welfare to work. It replaced a number of previous schemes such as Employment Zones, the New Deal, the Flexible New Deal and the Future Jobs Fund. **Along with Universal Credit, the Work Programme is a major element of the coalition Government's welfare reform.**

The Work Programme focuses on people who are unemployed in the long-term or who are at risk of falling into that category. It refers people to a range of private, voluntary and public sector organisations, known as providers, who are paid primarily for results. The majority of payment is received when people are placed in employment and remain in work. The UK Government says that this 'works better for the unemployed and provides better value for the taxpayer'.³⁰

The effectiveness of the Work Programme has been criticised by the UK Parliament's Public Accounts Committee, which found in a [report](#) published in 2013 that it was delivering less than what was expected of it. It said that in its first fourteen months from June 2011 to July 2012:

Overall, only 3.6% of claimants on the Programme moved off benefit and into sustained employment, less than a third of the 11.9% the Department expected to achieve, and well below the Department's own estimate of what would have happened if there had been no Work Programme running at all.³¹

5.3.2. The Youth Contract

The [Youth Contract](#) is the UK Government's response to the specific challenge of youth unemployment and is a £1 billion programme aimed at helping young people find employment. The UK Government says that the scheme, which was launched in April 2012, will provide **410,000 new opportunities for 18 to 24 year olds over three years**, including apprenticeships and voluntary work experience placements.

The programme includes support for businesses employing through Jobcentre Plus or the Work Programme an 18 to 24 year old who has been unemployed for six months or more. This takes the form of a **wage incentive worth up to £2,275 per eligible employee**. Another significant initiative under the Youth Contract is the offer of work experience placements to young people.

³⁰ Department for Work and Pensions, [The Work Programme: The first year](#), November 2012, p2 [accessed 26 July 2013]

³¹ House of Commons Committee of Public Accounts, [Department for Work and Pensions: Work Programme outcome statistics](#), Thirty third report of session 2012-2013, February 2013, p3 [accessed 26 July 2013]

Statistics released by the Department for Work and Pensions showed that there were **21,460 wage incentive job starts between April 2012 and May 2013**, and that **4,690 wage incentive payments were made to businesses between June 2012 and May 2013**. The UK Government has stated that there is enough funding to enable 160,000 wage incentives to be paid across the three years of the Youth Contract, which is approximately 53,000 incentives per year.³²

5.3.3. Raising the participation age in education or training in England

Following the *Education and Skills Act 2008*, the age at which young people are no longer required to participate in education is rising in England to 17 in 2013 and 18 in 2015. This means that **young people in England will be required to remain in education or training to the end of the academic year in which they turn 17 from 2013 and the end of the academic year of their 18th birthday from 2015**. In practice, this does not mean that young people are expected to remain in school or traditional academic learning for longer; rather that they will be given a 'suitable offer' to continue their education or training.

The definition of a 'suitable offer' is that it will:

- be of a place on a specific course in school, college, with an independent provider, or apprenticeship;
- include both the training element and a job or work placement where this is a condition of the young person taking up the place;
- be appropriate to the young person's individual needs – this means it must be at the right level, geographical location, occupational sector and learning method; and
- include an agreed start date.³³

In Wales, the approach of the Welsh Government has been to *encourage* young people to continue in education or training rather than legislate to make this mandatory. When the proposals first emerged in England on the subject in 2007, current First Minister Carwyn Jones, who was Minister for Education, Culture, and the Welsh Language for a brief period in between the Assembly election and the One Wales coalition government being formed, said in Plenary on 11 July 2007:

'There are proposals to raise the school-leaving age to 18 in England. Those proposals are not being put forward in Wales. We have our 14-19 learning pathways initiative, and we believe that it is better to encourage learners to stay on past 16, rather than to compel them.'

³² Department for Work and Pensions, News release, [Businesses offer 21,000 jobs with support of the wage incentive, 22 July 2013](#) [accessed 21 August 2013]

³³ Department for Education (England), [FAQs: education or training offers for 16- to 17-year-olds](#), Updated 27 June 2013, [accessed 26 July 2013]

He added:

‘The use of the word ‘encouragement’ is important. We want to encourage young people, between the ages of 14 and 19—past the compulsory school age—to enter into employment, education, or training. I believe that we can be successful in raising the number of young people who are in none of those categories at present. I do not believe that compulsion would work in that regard, because, frankly, unless young people can be encouraged to stay on, they will tend not to stay on anyway, regardless of what the law says. As I say, I understand the arguments in favour of raising the school-leaving age to 18, but I do not believe that those arguments carry weight when compared with the disadvantages.’³⁴

However, the Welsh Government has said that it will monitor the impact the raising of the compulsory participation age has on rates of young people not in education, employment or training in England. The then Minister for Education and Skills, Leighton Andrew told the Enterprise and Business Committee on 17 October 2012:

‘To add a point in respect of England, they are moving to a situation where it will become compulsory to remain in education to the age of 18; this year, it is to the age of 17—I think that it is to the age of 18 by 2015. We do not yet know the outcome of that in terms of its impact on figures for young people not in education, employment or training, or whether it has, as an experiment, been successful in its own terms. That is something that we want to keep an eye on and learn from.’³⁵

Furthermore, **whilst the Welsh Government is not compelling young people to stay in education or training beyond the current compulsory age in Wales of 16, it is guaranteeing that an option will be available for young people who want it.** In April 2013, Leighton Andrews announced in Plenary that:

‘I also want to deliver across Wales the guarantee of an education or training opportunity to all young people aged 16 to 18. I will look to local authorities to ensure that this opportunity is available to all young people when they complete year 11, and Careers Wales, through the common application process that it is currently piloting, will support the process.’³⁶

One of the ways in which the Welsh Government has sought to encourage young people to remain in education or training beyond the age of 16 is by tailoring provision more suited to their needs. The *Learning and Skills (Wales) Measure 2009* broadened the choice of education and training options to young people post 16 by providing for a minimum of 30 courses at level 3 to be available for students aged 16-18.

³⁴ National Assembly for Wales, Plenary, [RoP\[p21-22\]](#), 11 July 2007 [accessed 26 July 2013]

³⁵ National Assembly for Wales, Enterprise and Business Committee, [RoP \[para 69\]](#), 17 October 2012 [accessed 22 August 2013]

³⁶ Welsh Government, Leighton Andrews (Minister for Education and Skills), [Youth Engagement and Progression](#), Cabinet Oral Statement, 23 April 2013 [accessed 26 July 2013]

6. European context

Upon the release of the Organisation for Economic Co-operation and Development's (OECD) Annual Report in June 2013, its Deputy Director for Education and Skills, Andreas Schleicher, said that the **'significant' numbers of young people outside of education, work or training is 'the biggest challenge' for the UK.**³⁷ Whilst it is true that levels in the UK are of concern and this is recognised by all of its governments, it is useful to refer to what is a context of **high youth unemployment across Europe.**

According to figures released by [Eurostat](#), the European Union's (EU) statistics agency, the International Labour Organisation youth unemployment rate (under 25) was **23.2 per cent across the 27 EU countries as of May 2013.** This compares to **21.3 per cent in the UK.** The EU countries with the highest youth unemployment were Greece (62.9 per cent) and Spain (55.7 per cent) whilst levels were as low as 7.7 per cent in Germany and 8.6 in Austria.³⁸

According to information available from [StatsWales](#), youth unemployment was 22.2 per cent for the year ending 31 March 2013. **Several local authority areas in Wales have rates of youth unemployment considerably above the Welsh, UK and EU averages,** for example Blaenau Gwent (39.5 per cent), Torfaen (34.9 per cent) and Rhondda Cynon Taff (31.2 per cent), all based on the year ending 31 March 2013.³⁹

The challenge of tackling the large and growing problem of youth unemployment within the EU is high on the political and economic agenda of its institutions. The European Council meeting of 27-28 June 2013 saw agreement over a plan to combat youth unemployment which includes implementing a Youth Employment Initiative and Youth Guarantee Scheme.

The European Council issued a [press release](#) on 28 June 2013 giving details of what had been agreed. As it involves the allocation of funding, including changes to the Structural Fund Regulations 2014-2020, it is subject to European Parliament approval.

³⁷ BBC News, [OECD jobs fear for unqualified youth](#), 25 June 2013 [accessed 23 July 2013]

³⁸ Eurostat Data Explorer, [Unemployment rate by sex and age groups - monthly average, % \(Age = less than 25 years\)](#), 22 August 2013 [accessed 28 August 2013]

³⁹ Stats Wales, [ILO unemployment rates by Welsh local areas and year \(aged 16-24\)](#) [accessed 21 August 2013]

6.1. Youth Guarantee Schemes

Under the Youth Guarantee, EU member states are committed to ensure that within four months of becoming unemployed or leaving formal education all young people up to the age of 25 receive a high-quality offer of a job, an apprenticeship or a traineeship.

The EU will help the member states to fund the Youth Guarantee schemes through the use of EU structural funds, notably the Youth Employment Initiative.

6.2. Youth Employment Initiative

At the Council, EU leaders agreed to front-load the EUR 6 billion that had been earmarked for the Youth Employment Initiative so that these funds are available in 2014-2016, i.e. during the first two years of the next Multiannual Financial Framework (MFF), instead of being spread over its entire seven-year duration.

The Council undertook to make the Youth Employment Initiative fully operational by January 2014. The EU regions where youth unemployment rates are higher than 25 per cent will be the first to receive disbursements under the Initiative. For this to happen, the beneficiary member states have to adopt plans to tackle youth unemployment, including through the implementation of the Youth Guarantee, before the end of the year. The other countries are encouraged to adopt such plans in 2014.

The setting of the 25 per cent threshold for the targeted support for areas within the EU that have high youth unemployment places Wales outside of the eligibility criteria. The two Welsh NUTS2 regions⁴⁰, West Wales and the Valleys and East Wales, had youth unemployment rates of 21.5 per cent and 23.2 per cent respectively in the year ending 31 March 2013.⁴¹

However, this does not mean that European Structural Funds cannot be used to support efforts to tackle youth unemployment in Wales. Indeed, youth unemployment is one of the priorities of the Draft Operational Programmes for both [West Wales and the Valleys](#) and [East Wales](#) in the next round from 2014 to 2020.

⁴⁰ The Nomenclature of Units for Territorial Statistics (NUTS) breakdown provides a single uniform breakdown for the production of regional statistics for the European Union. There are three levels of NUTS in the UK. These are:

- NUTS 1: Government Office Regions and Scotland, Wales and Northern Ireland.

- NUTS 2: 37 areas, often referred to as sub-regions. The 2 NUTS2 regions in Wales are West Wales and the Valleys and East Wales.

- NUTS 3: 133 areas, generally groups of unitary authorities or districts, also known as local areas.

⁴¹ Stats Wales, [ILO unemployment rates by Welsh local areas and year \(aged 16-24\)](#) [accessed 21 August 2013]

7. Reasons and risks

The reasons young people fall into the category of not being in education, employment and training and the risk factors that are associated with it have been the subject of a considerable amount of research.

In 2010, the Audit Commission in England published a report, *[Against the odds: Re-engaging young people in education, employment or training](#)*, which drew on research with 24,000 young people to identify a number of risk factors that increased the chances of a young person not being in education, employment or training. These factors, along with the increase in chance of a young person not being in education, employment or training for six months or more are listed below:

- Being not in education, employment or training at least once before: *7.9 times more likely*
- Pregnancy or parenthood: *2.8 times more likely*
- Supervision by youth offending team: *2.6 times more likely*
- Fewer than three months post-16 education: *2.3 times more likely*
- Disclosed substance abuse: *2.1 times more likely*
- Responsibilities as a carer: *2.0 times more likely*⁴²

The 2010 Audit Commission report also analysed how long young people spend outside of education, employment or training, based on the research with the sample of 24,000 people. **It reported that 75 per cent of young people never experienced it.** Of the 25 per cent that would, the duration of the period spent not in education, employment or training was as follows:

- 2 per cent: *up to one week*
- 9 per cent: *from one week to one month*
- 25 per cent: *between one and three months*
- 21 per cent: *between three and six months*
- 43 per cent: *six months or more*⁴³

A report in 2006 from the Learning and Skills Development Agency in England, argued that young people not in education, employment or training needed to be seen as a heterogeneous group. However, **it identified two groups which it termed ‘core/generational’ and ‘floating’:**

⁴² Audit Commission, *[Against all odds: Re-engaging young people in education, employment or training](#)*, July 2010, p19 [accessed 22 August 2013]

⁴³ *[Ibid](#)*, p19 [accessed 22 August 2013]

Core NEETs ... are more likely to have social and behavioural problems, often coming from troubled and dysfunctional families. This group comprises the 'Generational NEETs'—young people who come from families where the accepted norm for adults is to be unemployed. The consensus among respondents [research carried out in Yorkshire and Humber] was that the Core NEETs require intensive and long-term support to overcome their problems and engage with EET.

'Floating NEETs ... may find themselves lacking direction and motivation have a tendency to move in and out of the NEET group, engaging in seasonal, low paid and sometimes illegal work, or short courses, thus creating NEET churn. The respondents felt that helping this group is generally easier, as they tend to require short-term support and encouragement to engage with employment and/or education.⁴⁴

A literature review of the risk factors associated with becoming not in education, employment or training was produced for Cambridgeshire County Council in November 2011 by academics at Anglia Ruskin University. The two leading factors identified are relatively well known and highly documented: **poor educational achievement and low socio-economic status.**

Analysis of the 1970 birth cohort carried out by John Bynner and Samantha Parsons in 2002 showed that **young people with no qualifications were six times more likely to not be in education, employment or training than those with qualifications.** Bynner and Parsons also found that young people from lower socio-economic groups are at significant risk whilst David Raffe's study of Scottish school leavers in 2003 observed that being outside of education, employment or training was mostly associated with social disadvantage.⁴⁵

In addition to these 'typical' risk factors, a number of other influences were identified in Sachdev et al (Learning and Skills Development Agency) which included:

- Social and behavioural problems
- Negative experience of education and training
- Inability to perceive long-term benefits of education, employment or training
- Lack of family support
- Lack of knowledge of the available options and information about how to enter particular vocations
- Lack of self-confidence, esteem and aspiration
- Barriers to entering the labour market
- Insufficient financial incentive

⁴⁴ Sachdev, D., Harries B. and Roberts, T. (2006) *Regional and sub-regional variation in NEETs – reasons, remedies and impact*, Learning and Skills Development Agency, p45 [accessed 21 August 2003]

⁴⁵ Both Bynner and Parsons, and Raffe's works are cited in Sadler, K. et al. (2011) *Risk factors associated with becoming NEETs: A review of the literature applied to the demographics of the Fenland Area*, Anglia Ruskin University, pp5-6 [accessed 18 July 2013]

8. In conclusion: Tackling issues from an early age and tracking individuals at risk

The Welsh Government has said that it wishes to focus on tackling the underlying causes of young people being outside of education, employment or training from an early age. This reflects attempts to mitigate many of the risks that were identified in the previous chapter, as described by former Minister for Education and Skills, Leighton Andrews, in April 2013:

‘There are still too many young people who disengage from mainstream education and training at age 16,17 and 18. Pre-school, primary and secondary experiences, and of course the family and home environment, have a significant impact on the behaviour and attainment of young people. Increased investment in early years, and support through Flying Start and Families First, is targeted to address these key issues through early intervention.’⁴⁶

The Welsh Government also wishes to introduce **better tracking of individuals at risk of becoming not in education, employment or training**. Leighton Andrews told the Enterprise and Business Committee on 17 October 2012:

‘What is really important here is that we have a system that, when we have identified at an earlier age young people who are in danger of ending up out of education, employment or training, means that there is one responsible adult, whether in the careers service, the youth service, the education system or elsewhere, who has responsibility. That person might change over time, but they would have a responsibility for tracking the development of the young person and the opportunities open to them and would look very intently at providing them with the support that they need.’

The then Deputy Minister for Skills, Jeff Cuthbert, added that **young people as young as seven could be identified as being in danger of becoming not in education, employment or training when they were older**.⁴⁷

In his statement to Plenary on 23 April 2013, Leighton Andrews, gave further details of the Welsh Government’s plans to undertake such tracking of young people, saying:

‘My ambition is for there to be a lead worker in every local authority responsible for providing a personal and immediate response to those young people identified at risk of disengagement, acting as a broker for them to ensure the delivery of the right level of support to help them make progress.

...

We will define the role, standards and outcomes required, and support local authorities to co-ordinate the delivery of this provision within their own area.’⁴⁸

⁴⁶ Welsh Government, Leighton Andrews (Minister for Education and Skills), *Youth Engagement and Progression*, Cabinet Oral Statement, 23 April 2013 [accessed 23 August 2013]

⁴⁷ National Assembly for Wales, Enterprise and Business Committee, *RoP [paras 72-75]*, 17 October 2012 [accessed 22 August 2013]

⁴⁸ Welsh Government, Leighton Andrews (Minister for Education and Skills), *Youth Engagement and Progression*, Cabinet Oral Statement, 23 April 2013 [accessed 23 August 2013]

The role of local authorities is seen by the Welsh Government as being particularly crucial in identifying and taking action to support young people at risk of becoming not in education, employment or training. This is demonstrated by the central role that local government will have in the new Youth Engagement and Progression Framework and Implementation Plan. In addition, the Framework has been developed through close working between the Welsh Government and eight local authorities⁴⁹ to develop and test different aspects of the Framework.

In its Decision Report announcing that the Framework had been approved for publication in September 2013, the Welsh Government said that it had ‘worked closely with local authorities to build on and learn from effective approaches to local implementation’ and had ‘developed the implementation plan on this basis’.⁵⁰

In summary, this issue is undoubtedly a long-term challenge and the proportion of young people not in education, employment or training has proven to be a particularly stubborn statistic to address. Furthermore, this is not a problem unique to Wales and some of the influences and solutions are beyond the legislative competence of the National Assembly for Wales or responsibility of the Welsh Government and are dependent on UK-wide economic factors.

Some key conclusions can, however, be drawn. Firstly, **levels in Wales have consistently been above those in England for a number of years**. Secondly, rates are influenced by wider economic circumstances and UK economic growth, as demonstrated by the cross-referencing with GDP changes in Table 11.

The economic climate seems to have more of an impact on the 19-24 age category (particularly males) which appears more difficult to address and is arguably of greater concern in a time of low economic growth. However, due to fluctuations at 19-24 being explained to a considerable extent by economic conditions, **it is arguably at 16-18 where rates are the most intractable and the ‘stubborn’ nature of this indicator sets in.** This is why interventions at the earliest possible ages are seen as so important and essential to addressing this long-term issue.

⁴⁹ Blaenau Gwent, Caerphilly, Cardiff, Merthyr Tydfil, Powys, Rhondda Cynon Taf, Swansea and Wrexham.

⁵⁰ Welsh Government, [Youth Engagement and Progression Framework Implementation Plan](#) (Decision Report), 26 July 2013 [accessed 23 August 2013]