



## DEBATE PACK

Number 2017-0248, 4 December 2017

# Youth Employment

## Summary

This pack has been prepared ahead of the debate on youth employment to take place in Westminster Hall on 6<sup>th</sup> December 2017. The subject for this debate has been chosen by Gillian Keegan MP.

The House of Commons Library prepares a briefing in hard copy and/or online for most non-legislative debates in the Chamber and Westminster Hall other than half-hour debates. Debate Packs are produced quickly after the announcement of parliamentary business. They are intended to provide a summary or overview of the issue being debated and identify relevant briefings and useful documents, including press and parliamentary material. More detailed briefing can be prepared for Members on request to the Library.

By Andrew Powell,  
Feargal McGuinness,  
Nerys Roberts, Jennifer  
Brown, Doug Pyper,  
Matthew Ward

## Contents

<b>1.</b>	<b>Background</b>	<b>2</b>
1.1	Introduction	2
1.2	Employment of young people	2
	Employment levels	2
	Types of contracts	3
	Areas of employment	3
	Earnings	4
1.3	Young people not in Employment	5
	Not in Education, Employment or Training (NEET)	5
	Unemployment levels	6
1.4	Apprenticeships and traineeships	7
1.5	Employment law	8
1.6	Employment support for young people	8
<b>2.</b>	<b>Parliamentary material</b>	<b>13</b>
<b>3.</b>	<b>Press articles</b>	<b>21</b>
<b>4.</b>	<b>Further reading</b>	<b>23</b>

# 1. Background

## 1.1 Introduction

The purpose of this debate is to discuss youth employment.

Of the 7.1 million people aged 16-24 in the second quarter of 2017:

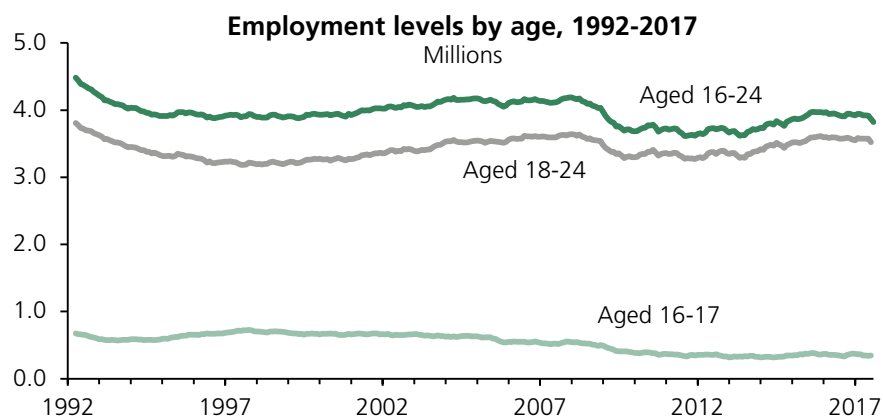
- 3.9 million were in employment (55% of people aged 16-24%).
- 2.2 million were not in employment, but were in full-time education (31%).
- 170,000 were not in employment, but were in part time education (2%).
- 790,000 were not in employment or full-time or part time education (NEET, 11%).

Further statistics on employment levels for young people are included in the rest of this section, as well as information on employment law for young people and the support that is available to help young people find work.

## 1.2 Employment of young people

### Employment levels

3.82 million people aged 16-24 were in employment in July-September 2017. Of these, 3.49 million people were aged 18-24, while the remaining 0.38 million were aged 16 or 17.



In September 2017:

- 54% of people aged 16-24 were in employment.
- A further 32% of those who were not in employment were in full-time education.
- The employment rate for those people aged 16-24 who were not in full-time education was 75%.

The employment rate for people aged 16-24 who were not in full-time education was recently at its highest level since 2001.<sup>1</sup>

### Types of contracts

Young people are more likely to be working part time, more likely to be in temporary employment and more likely to be on a zero-hours contract than older workers.<sup>2</sup>

In January-March 2017, 37% of the people aged 16-24 in employment were in part time work, compared to 26% of all people in employment. Of those aged 16-24 in part time work, 65% were students, 18% were previously unable to find a full-time job and 15% did not want a full time job.

14% of employees aged 16-24 were in temporary employment, compared to 6% of employees aged 16+.

In April-June 2017, around 300,000 people aged 16-24 were in employment on a zero-hours contract, an estimated 8% of people aged 16-24 in employment. This compares to 3% of all people who were in employment.<sup>3</sup>

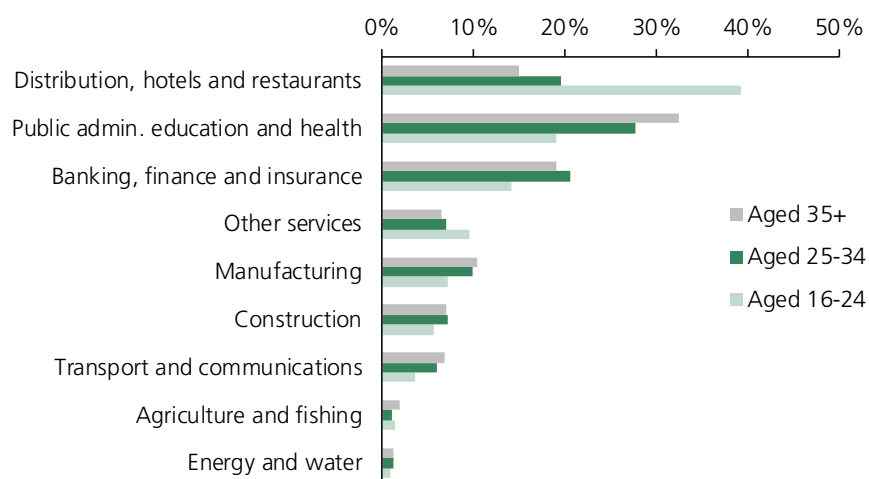
### Areas of employment

#### Industry

Almost 40% of workers aged 16-24 are employed in the Distribution (wholesale and retail), hotels and restaurants sector. In comparison, less than 20% of workers aged 25-34 and 35 and over were employed in this sector.

#### Employment by age and occupation, UK, July 2016- June 2017

% of workers in age group employed in each broad occupation group



**Note:** not seasonally adjusted. Based on Standard Industrial Classification 2007.

**Source:** ONS Annual Population Survey microdata, Q3 2016-Q2 2017

<sup>1</sup> Figures in this section taken from ONS Labour Market Statistical Bulletin

<sup>2</sup> ONS Labour Force Survey Microdata, Q1 2017

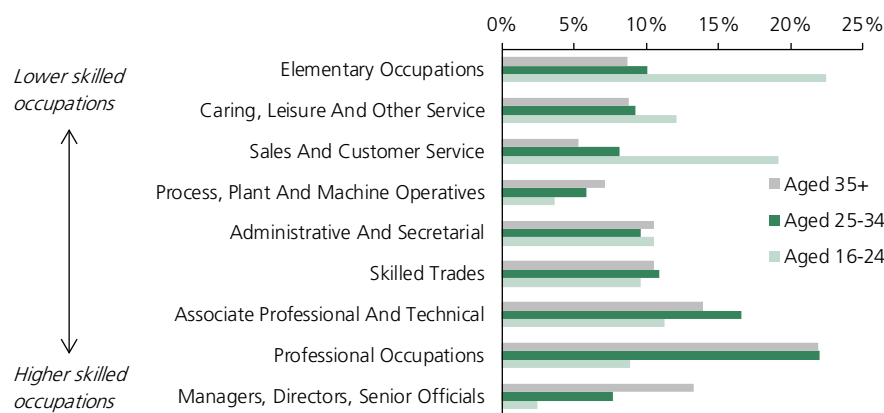
<sup>3</sup> ONS [People in Employment on a Zero Hours contract](#) (EMP17)

### Occupation

Young workers are more likely to be employed in lower skilled occupations than older workers. Over half of workers aged 16-24 were in one of the three occupations that are considered to be the lowest skilled (Elementary occupations, Caring leisure and other services, Sales and customer services).

Under a quarter of young workers were employed in the highest skilled occupations (Managers, directors, senior officials, Professional Occupations, Associate Professional and Technical), compared to almost half of those workers aged 25-34 and 35 and over.

**Employment by age and occupation, UK, July 2016- June 2017**  
 % of workers in age group employed in each broad occupation group



**Note:** not seasonally adjusted. Based on Standard Occupational Classification 2010. Occupations ordered according to skill using median hourly pay (excluding overtime) at April 2015 as a proxy for skill level.

**Source:** ONS Annual Population Survey microdata, Q3 2016-Q2 2017

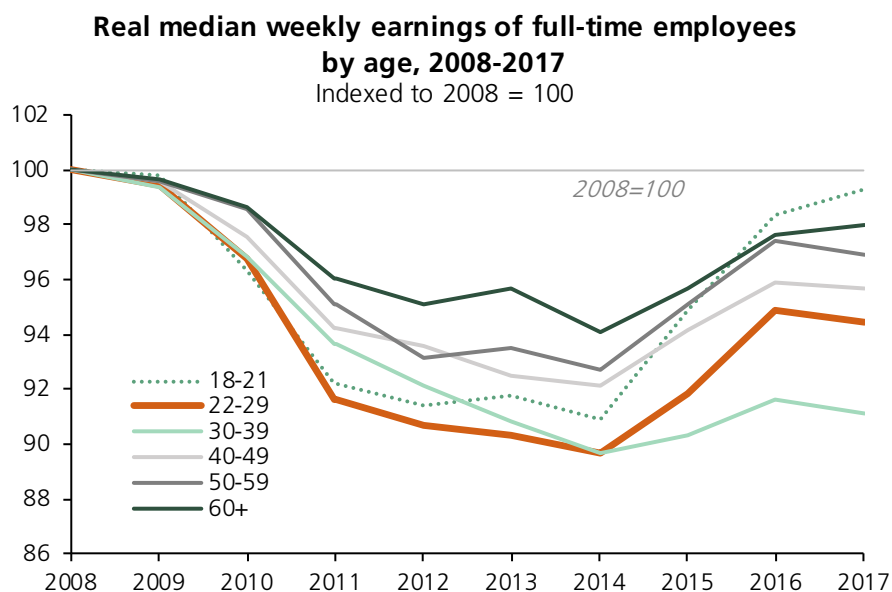
### Earnings

Real average earnings for all age groups were lower in 2017 than they were immediately before the economic downturn in 2008.

Median weekly earnings for full-time employees aged 22-29 were 5.5% lower in real terms (i.e. adjusted for inflation, as measured by the Consumer Prices Index) in April 2017 compared to 2008. The only age group seeing a larger decrease over this period were people in their thirties: median weekly earnings for full-time employees aged 30-39 decreased by 8.9%.<sup>4</sup> (The median is the point at which half of people earn more, and half earn less.)

By comparison, real median earnings fell by 4.3% and 3.1% for the 40-49 and 50-59 age groups respectively.

<sup>4</sup> ONS Annual Survey of Hours and Earnings



Source: ONS *Annual Survey of Hours and Earnings* and ONS *Consumer Price Inflation* dataset

Of course, people move up age groups as they grow older, so these figures do not show change in earnings for a fixed group of individuals. Indeed, the group of people aged 22-29 in 2008 were all aged in their thirties by 2016; furthermore, people may have moved in or out of employment (perhaps multiple times) over this period.

Therefore we can look at what has happened for earnings for people born in different years. Historically, younger cohorts have higher real average earnings than older cohorts did at the same age, because in 'normal' times growth in earnings exceeds inflation. For more recent cohorts, however, this pattern was disrupted by the economic downturn in 2008 and subsequent stagnation in real earnings. Analysis by the Resolution Foundation shows that for people born in 1988, who were starting out in work around the time of the 2008 downturn, median pay at age 22 was below that seen for cohorts born between 1968 and 1983 at the same age.<sup>5</sup>

## 1.3 Young people not in Employment

### Not in Education, Employment or Training (NEET)

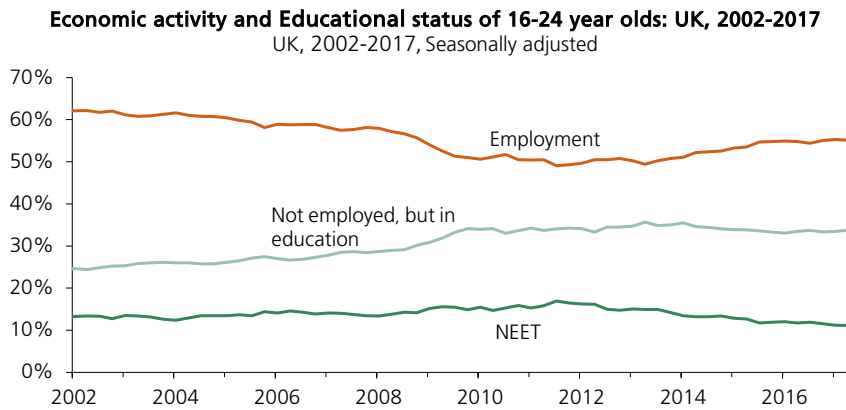
790,000 people aged 16-24 were Not in Education, Employment or Training (NEET) in the second quarter of 2017, 11.1% of all people in this age group. This was down 10,000 on the previous quarter and down 56,000 from the second quarter of 2016.<sup>6</sup>

The proportion of 16-24 year olds who were NEET remained relatively steady between 2002 and 2008, and at the beginning of 2008 13.4% were NEET. The proportion increased following the 2008 recession and peaked in July-September 2011 when 16.9% of 16-24 year olds were

<sup>5</sup> L Gardiner, *Stagnation Generation*, Resolution Foundation, July 2016, p24

<sup>6</sup> Data in this section are from ONS, *Young People Not in Education, Employment or Training (NEET)*, May 2017, and ONS, *Labour Market Statistics*, March 2017, and are seasonally adjusted, unless otherwise stated.

NEET (1.25 million people). Since then the number of people who are NEET has been falling.



### Unemployment levels

Around 40% of the young people who are NEET are unemployed, which means they were without a job, but were actively seeking work and available to start work.

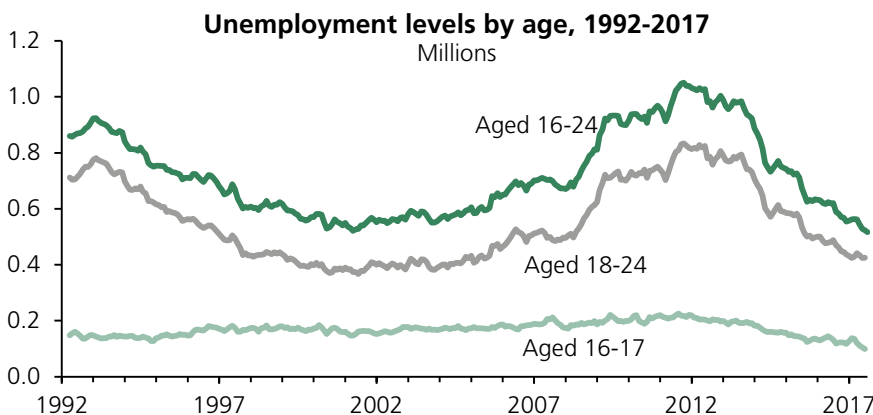
517,000 young people aged 16-24 were unemployed in July-September 2017, 28,000 fewer than the previous quarter and 71,000 fewer than the year before. The number of young people who are unemployed is currently at its lowest level since 2001.

The unemployment rate (the proportion of the economically active population who are unemployed) for 16-24 year olds was 11.9%, down from 13.1% a year ago. This is the lowest the rate has been since 2004.

Excluding young people in full-time education, 340,000 people aged 16-24 were unemployed in July-September 2017, 19,000 fewer than the previous quarter and down 56,000 from the year before.

The unemployment rate for 16-24 year olds not in full-time education was 10.3%, compared to 11.7% a year ago.

To put these changes in context, the total population aged 16-24 is also falling (down 95,000 in the year to July-September 2017). Figures are based on a survey so some of the reported changes may arise from survey error rather than actual movements in the levels.



## 1.4 Apprenticeships and traineeships

Apprenticeships are paid jobs that incorporate on and off the job training. The Government has committed to reaching 3 million apprenticeship starts in England by 2020, with the aim of ensuring the apprentices gain job specific skills that will improve the chances of them finding long term employment.<sup>7</sup>

121,000 people under 25 started an apprenticeship in 2016/17, 23,000 fewer than in 2015/16. Meanwhile the number of starts by apprentices aged 25 or over increased to its highest level since apprenticeships were made available for people over the age of 24 in 2004/05.

Between 2015/16 and 2016/17 there were falls in the number of apprenticeship starts for both those aged under 19 and for those aged between 19 and 24; the latter falling to its lowest level since 2009/10.

**Apprenticeship starts in England by age since 2009/10, thousands**

	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17
<b>Age</b>								
Under 19	117	132	130	115	120	126	131	123
19-24	114	143	161	165	159	160	154	142
25+	49	182	229	230	162	214	224	230
<b>Proportion</b>								
Under 19	42%	29%	25%	22%	27%	25%	26%	25%
19-24	41%	31%	31%	32%	36%	32%	30%	29%
25+	18%	40%	44%	45%	37%	43%	44%	46%

**Notes**

Data from 2011/12 onwards are not directly comparable to earlier years.

Data for 2016/17 is provisional and subject to change

Proportion is the percentage of all apprenticeship starts made by an age group.

Numbers are rounded to the nearest thousand.

Data are for academic years (August 1st to July 31st)

**Source:** DfE/EFSA FE data library: apprenticeships

People aged under 24 who are unemployed and have little work experience, but can be prepared for employment or an apprenticeship within six months, are able to start **traineeships**. Traineeships provide education, training and work experience.<sup>8</sup>

Further information on apprenticeships and traineeships are available in the Commons Briefing Papers, [Apprenticeship Policy](#) and [Traineeships](#).

Young people with learning difficulties and disabilities have access to **Supported Internships**. These are structured study programmes based primarily at an employer which normally last for a year and include unpaid work of at least six months. Where possible, they will then support the young person to move into employment at the end of the programme.<sup>9</sup>

<sup>7</sup> Department for Education, [Apprenticeship reform programme: benefits realisation strategy](#), March 2017, pg 6

<sup>8</sup> Skills Funding Agency, [Traineeships](#), December 2016

<sup>9</sup> Department for Education, [Supported Internships](#), June 2017

## 1.5 Employment law

Employment law contains some provisions that are specific to young workers. The main ones are summarised below.

### Child workers

Those who have not passed compulsory school age are legally classed as children.<sup>10</sup> In England and Wales a child may not legally leave school until the last Friday in June of the school year during which they reach the age of 16.<sup>11</sup> Local byelaws generally require businesses to apply for permits before they hire children.

The youngest a child can work is 13, unless the work is in television, theatre or modelling (in which case a [performance licence](#) is required).

Children are not entitled to the National Minimum Wage (NMW). The NMW applies to workers 16 and over.

There are various laws about the type of work that children may not do. For example, children may not do anything other than light work; may not work during school hours; may not work for more than 12 hours in a school week; etc.<sup>12</sup>

### Young workers

Young workers under 18 but over compulsory school leaving age have certain working time protections. For example, young workers have longer required rest periods (12 hours in each 24 hours; 48 hours in even seven day period); and must not be allowed to work at night without a health assessment.<sup>13</sup>

The NMW also has different bands depending on the age of the worker. The current rates are:

<b>25 and over</b>	<b>21 - 24</b>	<b>18 to 20</b>	<b>Under 18</b>	<b>Apprentice</b>
£7.50	£7.05	£5.60	£4.05	£3.50

## 1.6 Employment support for young people

This section outlines the current policies that are in place to support young people to find employment.

### Employer National Insurance Contributions

Employer National Insurance Contributions for those under the age of 21 were abolished in April 2015 (with the exception of those earning more than the Upper Earnings Limit). They were abolished for apprentices aged under 25 on earnings up to the upper earnings limit from April 2016.<sup>14</sup>

<sup>10</sup> *Education Act 1996*, section 558

<sup>11</sup> *Education Act 1996*, section 8

<sup>12</sup> *Directive 94/33; Children and Young Persons Acts 1933 and 1963*

<sup>13</sup> *Directive 94/33/EC, Working Time Regulations 1998*

<sup>14</sup> HM Revenue and Customs, [Rates and allowances: National Insurance contributions](#), April 2017



## Careers guidance in schools, colleges and universities in England

The Commons Library briefing paper, [Careers guidance in schools, colleges and universities \(England\)](#), provides historical background on policy development in this area since the 2015 General Election.

### Launch of new Careers Strategy, 4 December 2017

On 4 December 2017, the Department for Education (DfE) launched a new [Careers Strategy](#). Key aspects of this include:

- Every school and college in England to aim to have “a dedicated careers leader in place by the start of the new school year – backed by £4million of funding – who can give advice on the best training routes and up-to-date information on the jobs market [...]”<sup>15</sup>
- £5 million funding to develop 20 careers hubs to support children in disadvantaged areas, led by the Careers and Enterprise Company. “Hubs will link together schools, colleges, universities and local businesses to broaden the aspirations of young people.”<sup>16</sup>
- £2 million to support trials of career activities in primary schools. These would be designed to “test out ways of engaging children from an early age on the wealth of careers available to them, helping to raise their aspirations.”<sup>17</sup> Again, the focus would be on some of the most disadvantaged areas.
- Specialist advice for the long-term unemployed and those with additional needs.

### Investment in digital and STEM

The Autumn Budget 2017 included measures to support digital and STEM skills in schools, colleges, universities and via workplace learning:

- The Launch of a National Retraining Partnership, a partnership between the Government, the Confederation of British Industry and the Trades Union Congress and as part of this, “£30 million to test the use of AI and innovative EdTech in online digital skills courses” [...] and “new employer-designed courses in construction and digital”.<sup>18</sup>
- £8.5 million over the next two years to support Unionlearn (workplace learning).
- £27 million to expand “the successful Teaching for Mastery maths programme into a further 3,000 schools”<sup>19</sup> and £600 for every secondary pupil who opts to take Maths or Further Maths A levels or Core Maths.
- Funding for an £8.5 million pilot to improve GCSE maths resit outcomes, alongside £40 million to establish “Further Education Centres of Excellence across the country to train maths teachers and spread best practice”.<sup>20</sup>

<sup>15</sup> Department for Education news story, ‘[Careers guidance for modern country unveiled](#)’, 4 December 2017.

<sup>16</sup> *Ibid.*

<sup>17</sup> *Ibid.*

<sup>18</sup> HM Treasury, [Policy paper: Autumn Budget 2017](#), 22 November 2017.

<sup>19</sup> *Ibid.*

<sup>20</sup> *Ibid.*

- £84 million to upskill 8,000 computer science teachers by the end of the Parliament. There will also be a new National Centre for Computing that will produce training material and support for schools.

## Schemes to improve the skills and employability of young people

### Adult Education Budget

The Adult Education Budget (AEB) funds free training for unemployed people aged 19+ up to and including Level 2, which helps those with few or no qualifications get into work. Jobcentre Plus refers claimants to this training, which includes Traineeships, Licences to Practice, the Prince's Trust's Team programme and a range of other pre-employment support, including Sector-Based Work Academies, which combine AEB-funded training and Jobcentre Plus-arranged work experience and interviews for existing vacancies.<sup>21</sup>

### European Social Fund

The European Social Fund provides funding for projects to increase employment levels, in particular among young people and those struggling to get a job. It focuses on disadvantaged groups, including disabled people, and aims to provide skills training and support to transition from unemployment into work.<sup>22</sup>

### Youth Engagement Fund

The Youth Engagement Fund was launched in May 2014 with an aim of improving the education outcomes of disadvantaged young people aged 14 to 17, and therefore improve their employability. It is being funded through social impact bonds, with service providers running projects aimed at preventing young people from becoming NEET. The government will only provide funding for successful projects that lead to positive outcomes.<sup>23</sup>

### Fair Chance Fund

The Fair Chance Fund was announced in December 2014 and provides sustained housing, employment and educational support for homeless 18 to 24 year olds. This is also funded through social impact bonds, and the government only provides funding if positive outcomes are achieved.<sup>24</sup>

## Jobcentre Plus Support

### Jobcentre Plus support for young people in school

In January 2016 the Jobcentre Plus support for schools initiative was launched. As part of this initiative, local Jobcentre Plus advisers offered school pupils aged 12 to 18 advice on the labour market and advice on some of the job options available to them (such as apprenticeships and traineeships). Each school decides on the level of support that they get

---

<sup>21</sup> Skills Funding Agency, [Adult education budget funding and performance-management rules](#), July 2016

<sup>22</sup> European Social Fund, [The ESF in the United Kingdom](#)

<sup>23</sup> Cabinet Office, [Youth Engagement Fund: prospectus](#), October 2014

<sup>24</sup> Cabinet Office, Department for Communities and Local Government, [£23 million to help homeless turn around their lives](#), December 2014

from the advisors, but this could include work experience schemes or one-to-one advice.<sup>25</sup>

### **Work Experience and volunteering**

The Government has a number of schemes involving work experience placements as part of its wider welfare-to-work policies. These will be set up by a Jobcentre Plus work coach.<sup>26</sup>

Work Experience, the largest of these programmes, is targeted at young people who are getting Jobseeker's Allowance and are aged between 16 and 24. The placements will last between two and eight weeks.

Work Trials give someone on Jobseeker's Allowance the opportunity to try a job for up to 30 working days, and they may be offered the job at the end of the trial.

Work Together provides an opportunity for someone who is seeking work to volunteer with a local organisation.

### **Welfare to Work Programmes**

Support to help unemployed people find a job has been provided through the Work Programme although referrals to the scheme ended at the end of March 2017. It will be provided through the Work and Health Programme which was launched in the North East of England and Wales in November 2017.

The Work Programme was run by providers who introduced and implemented their own ideas and schemes to help unemployed participants find work. Providers are paid if participants spend a sustained amount of time in employment.

Unemployed individuals were referred onto the programme by their local Jobcentre Plus after they had been receiving Jobseeker's Allowance (JSA) or Employment and Support Allowance (ESA) for a minimum amount of time. JSA claimants aged 18-24 were referred after nine months unless they faced significant disadvantage. However 18 year old NEET JSA claimants were referred after only three months.<sup>27</sup>

The Work and Health Programme will target people who with specialist support are likely to be able to find work within 12 months. It takes the place of both the Work Programme (see below) and Work Choice (a voluntary support programme for people who are disabled), although many jobseekers who would previously have been supported by the Work Programme will now receive support directly through Jobcentre Plus rather than the Work and Health Programme.

Further information on these programmes is available in the Briefing Papers, [Work Programme](#) and [Work and Health Programme](#).

### **Youth Obligation**

In April 2017 the Youth Obligation was introduced in Universal Credit [full service](#) areas. Through this scheme, intensive support is provided for

<sup>25</sup> Department for Work and Pensions, [Jobcentre Plus support rolled out to schools](#), January 2016

<sup>26</sup> Gov.uk, [Help with moving from benefits to work](#)

<sup>27</sup> Department for Work and Pensions, [Work Programme Claimant Groups](#), July 2017

those 18 to 21 year olds who are expected to be looking for work within 6 months of making a Universal Credit claim. After 6 months they are expected to apply for an apprenticeship, traineeship, gain work-based skills or take up a work placement.<sup>28</sup>

### **New Enterprise Allowance**

The New Enterprise Allowance scheme provides money and support to help JSA or ESA claimants start or expand their own business. If someone has a business idea and is accepted onto the scheme, then they will get a business mentor and a weekly allowance for up to 26 weeks. They can also apply for a loan to help with start-up costs.<sup>29</sup>

Further details on the reforms to technical education can be found in the Library briefing note [New Enterprise Allowance](#).

---

<sup>28</sup> Department for Work and Pensions, [DWP single departmental plan: 2015 to 2020](#), April 2017

<sup>29</sup> Gov.uk, [New Enterprise Allowance](#)

## 2. Parliamentary material

### 2.1 Work and Pensions Committee Inquiry

The Work and Pensions Committee conducted an inquiry into the employment opportunities for young people. Their report was published ahead of the dissolution of Parliament for the 2017 General Election on the 22<sup>nd</sup> March 2017.

The report's key recommendation was that the then Government's proposed Youth Obligation benefit be unlinked from the roll-out of Universal Credit in order that it be rolled out quicker and targeting at priority areas with high levels of youth unemployment.

The report also recommended that there be more effective working between Jobcentre Plus offices, employers, schools and apprenticeship providers. The committee also recommended that work needed to be done to improve the Jobcentre Plus image among young people.

#### **Inquiry documents**

House of Commons Work and Pensions Committee: [Employment opportunities for young people, Ninth report of Session 2016-17](#)  
22<sup>nd</sup> March 2017

House of Commons Work and Pensions Committee: News Story ['Liberate new youth employment programme from Universal Credit'](#)  
22<sup>nd</sup> March 2017

### 2.2 Parliamentary Questions

#### General questions regarding youth employment

[Young People: Training](#)

**Asked by:** Simpson, David | **Party:** Democratic Unionist Party

To ask the Secretary of State for Education, what steps she is taking to encourage more young people to train in computer-based industries.

**Answering member:** Anne Milton | **Party:** Conservative Party | **Department:** Department for Education

The department is taking action at all stages of the education and training pipeline to help encourage young people into digital-related careers. We have introduced computing as a statutory national curriculum subject at all four key stages, in addition to a new Computer Science GCSE and A Level. The content was developed with industry experts to better equip pupils with the knowledge and skills they need to become active creators of digital technology.

We have supported employers to develop new apprenticeships in digital occupations across different levels, including in data analysis, digital marketing, network engineering and cyber security. We also established Ada, National College for Digital Skills. Driven by employers, Ada will train up to 5,000 students over the next five years for a wide range of digital careers and we are investing £500 million in reforming the technical education system, which includes the development of a specialist digital route with a clear pathway to employment.

Young people also need information on the range of jobs and careers, as well as opportunities to engage with employers. Information on careers, courses

and training in computer-based industries is available from a number of sources such as the National Careers Service who provide independent, professional advice on careers, skills and the labour market, in addition to the legal requirement on educational establishments to provide guidance.

15 Sep 2017 | Written questions | Answered | House of Commons | 9392

**Date tabled:** 07 Sep 2017 | **Date for answer:** 11 Sep 2017 | **Date answered:** 15 Sep 2017

**Subject:** Computers; Industry; Training; Young people

#### [T-levels](#)

**Asked by:** Lord Storey | **Party:** Liberal Democrats

To ask Her Majesty's Government what measures they are taking to enable all young people to have the opportunity to choose from the full range of technical A levels.

**Answering member:** Lord Agnew of Oulton | **Party:** Conservative Party |

**Department:** Department for Education

The Technical and Further Education Act requires schools to give education and training providers the opportunity to talk directly to pupils in years 8-13 about the approved technical education qualifications and apprenticeships that they offer.

We intend this measure to come into force in January 2018. It will ensure that young people hear more about the alternatives to academic and school-based routes and are aware of all the opportunities to higher skills that offer access into the workplace.

The Secretary of State has confirmed that we will publish a careers strategy shortly. The strategy will have a clear focus on social mobility and will include proposals to improve the quality and coverage of careers advice in schools and colleges and give people the information they need to access training throughout their working lives.

26 Oct 2017 | Written questions | Answered | House of Lords | HL1980

**Date tabled:** 12 Oct 2017 | **Date for answer:** 26 Oct 2017 | **Date answered:** 26 Oct 2017

**Subject:** T-levels

#### [Young People: Employment Schemes](#)

**Asked by:** Coyle, Neil | **Party:** Labour Party

To ask the Secretary of State for Education, what underspends there have been on the Youth Contract scheme in each of the last four years; and how any such underspends have been (a) allocated and (b) published.

**Answering member:** Edward Timpson | **Party:** Conservative Party |

**Department:** Department for Education

The Youth Contract Scheme funding between April 2012 and March 2015 was split across Government including the Department for Education, Department for Business, Innovation and Skills, and Department for Work and Pensions. Funding ended in March 2015. DWP received further funding to deliver the Youth Offer between April 2015 and March 2017.

When the Youth Contract operated, the Department for Education was responsible for the Youth Contract for 16 and 17 year olds. This operated over

the four financial years 2012-13 to 2015-16. The Youth Contract for 16 and 17 year olds was designed to provide additional support to young people who were classified as not being in education, employment or training (NEET) and who had low levels of attainment.

Treasury allocated £42m for delivery of this element of the Youth Contract (the Education Funding Agency (EFA) managed strand at £39.01m and the Core Cities Strand at £2.983m) in each of the financial years 2012-13, 2013-14 and 2014-15. Any underspend at the end of each financial year, against the EFA managed strand of the Youth Contract, was returned to Treasury or carried forward to future years to meet expected future demand.

To ensure continued funding of the EFA managed Youth Contract programme in the 2015-16 financial year, the Department for Education (DfE) allocated £15.9m. At this stage the DfE is unable to provide financial spend on the Youth Contract for the 2015-16 financial year as our accounts haven't been finalised as yet.

The table below provides the financial spend on delivery of the EFA managed and Core Cities strands of the Youth Contract for 16 and 17 year olds for the financial years 2012-13, 2013-14 and 2015-16 against the overall budget allocated by Treasury and the Department for Education in each of these financial years.

Financial year	Budget allocated by Treasury	Financial spend (EFA and Core Cities) as quoted in published accounts
2012-13 (Sept 12 to Mar 13)	£42m	£6,986,000
2013-14	£42m	£11,399,000
2014-15	£42m + £12m carried forward from underspend in the 2013-14 FY	£23,043,000
2015-16	£15.9m (DfE allocation)	Not yet available

The EFA managed programme had targeted eligibility requirements of recruiting only those disengaged and disadvantaged young people NEET with low attainment levels. In addition, the payment structure for the EFA managed strand of the programme was based on a 'payment by results' model with contractors delivering the programme being paid only for what they delivered. The amount spent against the available budget is indicative of the programme's targeted eligibility criteria and the payment by results methodology.

The Government does not publish which particular programmes over/underspend; we instead publish what departments estimated their spending would be against their actual out-turns – for instance in PESA reports.

12 Dec 2016 | Written questions | Answered | House of Commons | 56576

**Date tabled:** 07 Dec 2016 | **Date for answer:** 12 Dec 2016 | **Date answered:** 12 Dec 2016

**Statistics:** yes | **Subject:** Finance; Employment schemes; Young people

[Young People: Unemployment](#)

**Asked by:** Bailey, Mr Adrian | **Party:** Labour Party · Cooperative Party

To ask the Secretary of State for Education, what her Department's budget allocation was for reducing the number of young people who were classed as not in employment, education or training in each year since 2011-12.

**Answering member:** Edward Timpson | **Party:** Conservative Party |  
**Department:** Department for Education

We want to ensure that everyone has access to high-quality education and training, which is why we are spending around £7billion on education and training for 16 to 19-year-olds this year. All of this funding helps to reduce the number of young people who are classified as not in education, employment or training (NEET) by ensuring there are attractive options available.

The Department's NEET reduction strategy is working and numbers are the lowest since consistent records began - the proportion of 16- to 18-year-olds who are NEET has reduced from 9.8% in 2011 to 6.5% in 2015[1]. Funding allocations within this budget which especially help support young people at risk of being NEET reflect these year on year successes, including:

- extra funding for providers to attract, support and retain disadvantaged students;
- o academic years 2013/14 - £594million; 2014/15 - £573million; 2015/16 - £569million; 2016/17 - £544million;
- financial support for young people who need help with their costs such as transport to enable them to participate;
- o financial years 2011-12 - £365million; 2012-13 - £240million; 2013-14 - £212million; 2014-15 - £239million; 2015-16 - £239million;
- Traineeship funding; and
- o we estimate expenditure in academic years 2013/14 - £20million; 2014/15 - £35million; 2015/16 - £45million
- the Youth Contract, which commenced in 2012 and ceased in March 2016, to encourage the most difficult to reach young people to participate;
- financial years 2012-13 - £6.9million; 2013-14 - £11.3million; 2014-15 - £23million; 2015-16.

22 Nov 2016 | Written questions | Answered | House of Commons | 53377

**Date tabled:** 16 Nov 2016 | **Date for answer:** 21 Nov 2016 | **Date answered:** 22 Nov 2016

**Statistics:** yes | **Subject:** Young people; Unemployment

## Questions regarding apprenticeships

Many parliamentary questions ask the Department for statistics on the number of apprentices. Policy which concern apprenticeship policy have tended to centre on what the Government is doing to increase participation and how the new Apprenticeship Levy is impacting upon the system. On the first point the Government's response has been that there is good participation in apprenticeships and the funding regime supports these apprentices. On the Apprenticeship Levy the Government has stated that it is too early to tell what the long term impact of the levy will be on apprenticeship numbers and the demography of apprentices.



A selection of examples of these questions have been provided below, these are in date order.

#### [Apprentices](#)

**Asked by:** Platt, Jo | **Party:** Labour Party · Cooperative Party

To ask the Secretary of State for Education, what assessment her Department has made of the potential reasons for the reduction in the number of apprenticeship starts after the Apprenticeship Levy was introduced.

**Answering member:** Anne Milton | **Party:** Conservative Party | **Department:** Department for Education

Our reforms, the largest changes to apprenticeships government has ever made, are supporting an increase in the quality of apprenticeships and allowing apprentices to develop their talents and progress their careers. It is only natural that employers, and the apprenticeship market, take time to reflect on what the changes mean and how to maximise the opportunities they represent. In light of these changes, it is premature to draw definitive conclusions regarding the potential reasons for any fall in starts, on the basis of the limited data available. The Government's reforms are ultimately intended to invest in the potential of people of all ages and backgrounds.

We are consulting widely with employers, providers and apprentices and are continually reviewing the impact of these reforms.

21 Nov 2017 | Written questions | Answered | House of Commons | 112477

**Date tabled:** 13 Nov 2017 | **Date for answer:** 15 Nov 2017 | **Date answered:** 21 Nov 2017

**Statistics:** yes | **Subject:** Apprentices; Taxation

#### [Apprentices](#)

**Asked by:** Marsden, Gordon | **Party:** Labour Party

To ask the Secretary of State for Education, what steps she is taking to encourage businesses to take on 16 to 18-years old apprentices.

**Answering member:** Anne Milton | **Party:** Conservative Party | **Department:** Department for Education

Additional funding to support younger apprentices is available with £1,000 cash payment to both employers and training providers when taking on a 16 to 18 year-old (providing a total of £2,000). Furthermore, the Government covers the entire cost of training younger apprentices for smaller businesses that employ less than 50 staff.

We are undertaking a range of engagement activities to ensure employers of all sizes are aware of how they can benefit from the opportunities that apprenticeships can offer.

16 Nov 2017 | Written questions | Answered | House of Commons | 112294

**Date tabled:** 10 Nov 2017 | **Date for answer:** 16 Nov 2017 | **Date answered:** 16 Nov 2017

**Subject:** Apprentices

#### [Productivity](#)

**Asked by:** Lord Wallace of Saltaire (LD) | **Party:** Liberal Democrats

My Lords, there is substantial evidence that a large number of companies are using the new apprentice levy to train people already employed, often in mid-executive positions, rather than going out and finding young people and training them up as new apprentices, which is what one understood the

scheme was for. Are the Government going to look into that and do their best to persuade companies that they should be training young apprentices as the first priority?

**Answered by:** Lord Henley | **Party:** Conservative Party

The noble Lord is right to point that out. It is anecdotal evidence at this stage, but it is something that we should certainly look at.

07 Nov 2017 | Oral questions - Supplementary | Answered | House of Lords | House of Lords chamber | 785 c1692

**Date answered:** 07 Nov 2017

**Subject:** Productivity

#### [Apprenticeships](#)

**Asked by:** John Howell (Henley) (Con) | **Party:** Conservative Party

What progress she has made on broadening participation in apprenticeships.

**Answered by:** The Minister for Apprenticeships and Skills (Anne Milton) |

**Party:** Conservative Party | **Department:** Education

Apprenticeship starts for women have gone up from 52% to 53% approximately; for people from black, Asian and minority ethnic backgrounds, they have gone up from 10.4% to 11.2%; and for those with learning disabilities or difficulties, they are up from 9.9% to 10.3%. There is a great deal of work going on to broaden participation. The apprenticeship diversity champions network and the Careers and Enterprise Company are both doing an excellent job. I could go on, but I will not try your patience, Mr Speaker.

06 Nov 2017 | Oral questions - Lead | Answered | House of Commons | House of Commons chamber | 901600 | 630 cc1173-5

**Date tabled:** 31 Oct 2017 | **Date for answer:** 06 Nov 2017 | **Date answered:** 06 Nov 2017

**Subject:** Apprentices

#### [Apprentices Taxation](#)

**Asked by:** Platt, Jo | **Party:** Labour Party · Cooperative Party

To ask the Secretary of State for Education, what steps her Department is taking to ensure that the apprenticeship levy increases social mobility.

**Answering member:** Anne Milton | **Party:** Conservative Party | **Department:** Department for Education

We want to ensure that high quality apprenticeships are as accessible as possible to all people from all backgrounds.

Apprenticeships already disproportionately benefit people from lower socio-economic backgrounds with apprentices more likely to come from disadvantaged backgrounds - compared to the population as a whole, 25 per cent of apprentices live in the most disadvantaged fifth of areas.

Our apprenticeship funding policy supports individuals from disadvantaged areas by providing a cash payment to training providers when they train apprentices living in the top 27% of deprived areas.

01 Nov 2017 | Written questions | Answered | House of Commons | 109597

**Date tabled:** 25 Oct 2017 | **Date for answer:** 30 Oct 2017 | **Date answered:** 01 Nov 2017

**Subject:** Apprentices; Taxation; Social mobility

## Questions regarding the Youth Obligation

Currently questions regarding the Youth Obligation relate to the progress of its roll-out. The latest PQ on this indicated that as of the 11<sup>th</sup> October 2017 the programme was available in 124 jobcentres (PQ107267, see below).

### [Unemployment: North East](#)

**Asked by:** Hepburn, Mr Stephen | **Party:** Labour Party

To ask the Secretary of State for Work and Pensions, what plans the Government has to tackle youth unemployment in (a) Jarrow constituency, (b) South Tyneside, (c) Gateshead and (d) the north east.

**Answering member:** Damian Hinds | **Party:** Conservative Party |

**Department:** Department for Work and Pensions

The number of young unemployed claimants is continuing to fall. The proportion of young people (aged 16-24) who are unemployed and not in full time education is at a new record low of 4.8% and the youth claimant count has fallen by around 57% in Jarrow, 53% in South Tyneside and 49% in Gateshead since 2010.

As planned, we have also introduced the Youth Obligation to provide intensive support for 18-21 year olds making a new claim to Universal Credit full service from April 2017. We are rolling out the Youth Obligation in line with the roll-out schedule for Universal Credit full service across the north-east. As such, a number of sites in the north-east are already able to provide claimants with more intensive support through the Youth Obligation, Gateshead included. Remaining sites in the north-east will continue to be rolled-on to the Youth Obligation aligned with the schedule of Universal Credit full service, including Jarrow, which is expected to deliver the Youth Obligation from February 2018.

26 Oct 2017 | Written questions | Answered | House of Commons | 108423

**Date tabled:** 18 Oct 2017 | **Date for answer:** 20 Oct 2017 | **Date answered:** 26 Oct 2017

**Subject:** Young people; Unemployment; North East

### [Employment Schemes: Young People](#)

**Asked by:** Campbell, Mr Gregory | **Party:** Democratic Unionist Party

To ask the Secretary of State for Work and Pensions, what progress his Department has made in the roll-out of the Youth Obligation programme for those claiming universal credit.

**Answering member:** Damian Hinds | **Party:** Conservative Party |

**Department:** Department for Work and Pensions

We introduced the Youth Obligation, as planned, on 26 April 2017 into the 49 jobcentres operating the Universal Credit full service at the time. 18-21 year olds who make a new claim to Universal Credit full service and are in the All Work Related Requirements Conditionality group will receive intensive work-focused Youth Obligation support from the first day of their claim.

We are rolling out Youth Obligation at the same time as we deliver the Universal Credit Full Service into our jobcentres. The Youth Obligation is now available in 124 Jobcentres.

16 Oct 2017 | Written questions | Answered | House of Commons | 107267

**Date tabled:** 11 Oct 2017 | **Date for answer:** 16 Oct 2017 | **Date answered:** 16 Oct 2017

**Subject:** Employment schemes; Young people; Universal credit

[Unemployment: Young People](#)

**Asked by:** Thomas-Symonds, Nick | **Party:** Labour Party

To ask the Secretary of State for Work and Pensions, whether unemployed 18 to 21 year olds will be referred to specialist employment support providers under the Youth Obligation from 2017 if they are unemployed after one year of claiming benefits.

**Answering member:** Priti Patel | **Party:** Conservative Party | **Department:** Department for Work and Pensions

We will be introducing the Youth Obligation for all 18-21 year olds who are claiming Universal Credit and are in the All Work Related Activity Conditionality Group from April 2017.

They will receive intensive support from Day 1 of their claim. After 6 months, if they have not found employment, they will be expected to apply for an apprenticeship, a traineeship, gain work-based skills employers value, or go on a work placement to give them the skills they need to get on in work.

The detailed policy design is still under development. We will make further announcements over the coming months as we develop the policy detail.

21 Mar 2016 | Written questions | Answered | House of Commons | 31456

**Date tabled:** 16 Mar 2016 | **Date for answer:** 21 Mar 2016 | **Date answered:** 21 Mar 2016

**Subject:** Young people; Unemployment

### 3. Press articles

[If a company employs people, it should be working with schools](#)

Sherry Coutu

TES, 14 September 2017

[University students are being sold a pup. They should take an apprenticeship](#)

Frank Field

TES, 18 August 2017

[More young Britons out of work and education: Neets who remain adrift of the system become increasingly unemployable](#)

Sarah O'Connor

Financial Times, 2 August 2017

[The Work Revolution: An abundance of tech tools is liberating workers to organise their lives in ways unimaginable a generation ago. But debate continues over who is really winning the spoils of this transformation in employment practices](#)

Financial Times, 2 May 2017

[The 'long, hard slog' to reduce entrenched inequality](#)

Miranda Green

Financial Times, 21 April 2017

[Youth employment: A crowded global jobs market is braced for 1bn more workers](#)

Sarah Murray

Financial Times, 21 April 2017

[UK employers prepare for apprenticeship levy: Businesses say it is too soon to know how successful the measures will be](#)

Emma Boyde

Financial Times, 21 April 2017

[Germany's apprenticeship scheme success may be hard to replicate: Other countries look to copy a training model that keeps jobless rates low for the young](#)

Rose Jacobs

Financial Times, 21 April 2017

[Job insecurity is a fact of life for young people](#)

Kristalina Georgieva

Financial Times, 21 April 2017

[It's time for a real revolution in Britain's schools](#)

Peter Hyman

The Guardian, 26 February 2017

[Robot-proofing your child's career is a waste of time: Automation is displacing jobs in ways we can only imagine](#)

Emma Jacobs

Financial Times, 4 December 2016

[Youth unemployment highly regionalised, report shows: Study finds 'stubbornly high number of young people excluded from UK labour market' – depending on where they live](#)

Miles Brignall

The Guardian, 30 August 2016

[Jobs for the boys and girls: Youth unemployment, the scourge of much of Europe, has plummeted](#)

The Economist, 12 March 2016

## 4. Further reading

[Study, Work, Progress, Repeat? How and why pay and progression outcomes have differed across cohorts](#)

Resolution Foundation

February 2017

[The employment landscape for young people in the UK: Challenges and opportunities](#)

EY

2016

[UKCES youth employment reports](#)

June 2014 2014

### About the Library

The House of Commons Library research service provides MPs and their staff with the impartial briefing and evidence base they need to do their work in scrutinising Government, proposing legislation, and supporting constituents.

As well as providing MPs with a confidential service we publish open briefing papers, which are available on the Parliament website.

Every effort is made to ensure that the information contained in these publically available research briefings is correct at the time of publication. Readers should be aware however that briefings are not necessarily updated or otherwise amended to reflect subsequent changes.

If you have any comments on our briefings please email [papers@parliament.uk](mailto:papers@parliament.uk). Authors are available to discuss the content of this briefing only with Members and their staff.

If you have any general questions about the work of the House of Commons you can email [hcinfo@parliament.uk](mailto:hcinfo@parliament.uk).

### Disclaimer

This information is provided to Members of Parliament in support of their parliamentary duties. It is a general briefing only and should not be relied on as a substitute for specific advice. The House of Commons or the author(s) shall not be liable for any errors or omissions, or for any loss or damage of any kind arising from its use, and may remove, vary or amend any information at any time without prior notice.

The House of Commons accepts no responsibility for any references or links to, or the content of, information maintained by third parties. This information is provided subject to the [conditions of the Open Parliament Licence](#).