

## **Reducing the number of young people not in education, employment or training (NEET) by 2013**

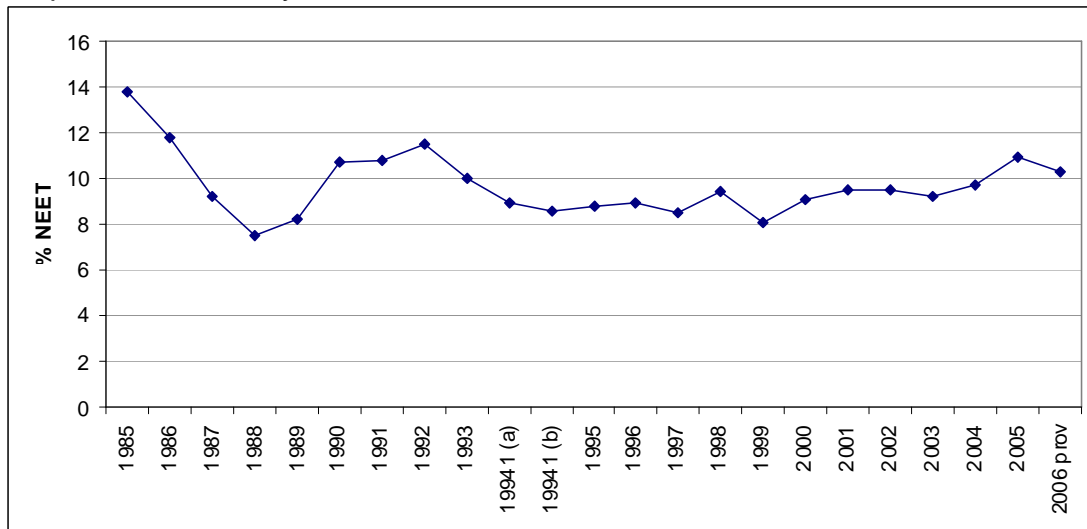
1. Our aspiration is that all young people stay on in education or training to 18, developing the skills that will enable them to succeed in life. Only if all our young people are engaged with learning in this way will we prosper together in a changing world economy. Staying in learning not only supports young people to get a better job; it also improves their life chances and equips them with the personal and social skills they need to thrive throughout their lives.
2. Raising the participation age so that all young people stay in education or training at least until the age of 18 is central to achieving these ambitions. We propose to legislate to introduce a requirement for all young people to participate until the end of the academic year in which they are 17 from 2013 and until their 18<sup>th</sup> birthday from 2015. Before then there is more to do to make sure that all young people are able to reap the benefits of staying in learning, and crucially, to reduce sharply the number of 16-18 year olds not in education, employment or training (NEET).
3. Our commitment to raising the age of participation sends a strong signal now that will change the expectations and aspirations of young people, their parents and the education and training system. This will help to drive up participation even before the legislative change is introduced. Parents and young people will all need to prepare for staying on post-16, and colleges, schools, local authorities, and government will need to meet the new requirements arising through all young people participating and achieving.

### **We are increasing participation but there is more to do to reduce NEET**

4. Historically we have had low participation rates in education and training in the UK. In the most recent comparison, the UK was only 24<sup>th</sup> out of 30 on rates of 17 year old participation compared to other countries in the OECD (the Organisation for Economic Co-operation and Development).
5. We have made progress on participation in recent years and participation numbers are now at their highest ever. 1,547,000 16-18 year olds are now in education or training. 78.1% of 16 year olds are in full time education - a rise of 6 percentage points in 3 years - and 89.7% of 16 year olds and 81.5% of 17 year olds are in some form of education or training. Increased participation is leading to higher achievement - in 2006, 71.4% of 19 year olds achieved level 2 qualifications, the highest figure ever. Behind these recent improvements are year on year increases in GCSE achievement at 16, better support for transition between pre- and post-16 learning and the introduction of the Education Maintenance Allowance to support and incentivise participation.
6. But despite rising participation, sharply reducing the proportion of young people NEET remains a significant challenge. The number of young people NEET peaked in the mid 1980s when youth unemployment was at its highest and despite falling since then, levels have remained stubbornly high.

The number of young people NEET has fallen over the last year, especially amongst 16 and 17 year olds where there was a reduction of 20,800 young people NEET. In 2006, there were 206,000 young people NEET compared to over 1.2 million in full-time education, 138,500 in work-based learning, 99,600 in part-time education and a further 248,400 in work without training.

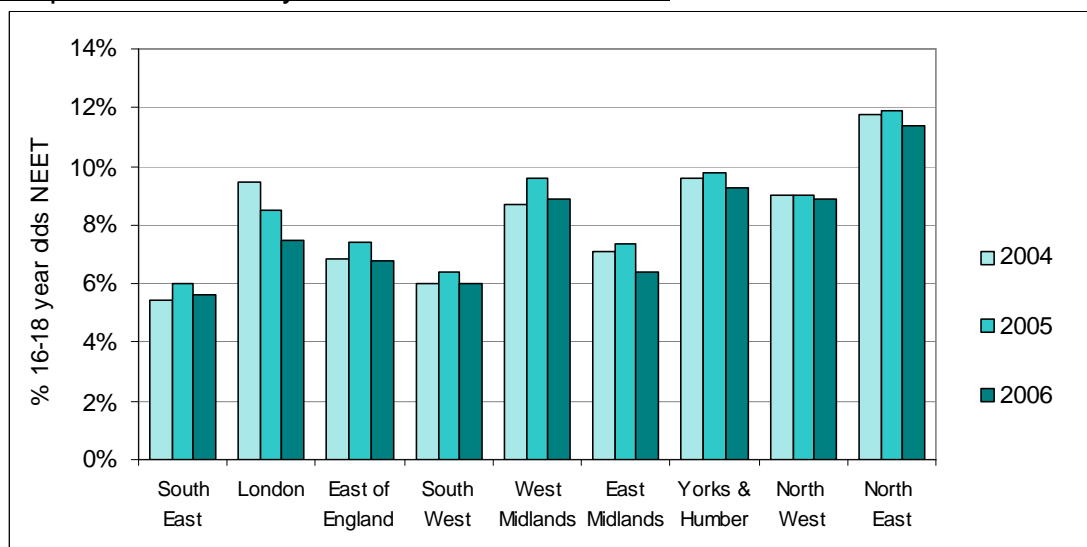
Proportion of 16-18 year olds NEET 1985-2006



Source: Statistical First Release 22/2007

7. Lord Leitch's Review of Skills made clear that there has been a general increase in skills requirements, with more jobs requiring high levels of skills and fewer low skilled jobs; and the regional pattern for NEET shows that the highest levels are in areas which have lost traditional industries like coal mining or ship building. This changing economic situation means that it is more important than ever for young people to stay in learning and achieve in order to be able to succeed in the labour market.

Proportion of 16-18 year olds NEET 2004-2006



Source: Connexions Service

8. The NEET group is not static but rather a rapidly changing group - most young people do not spend long periods NEET. The vast majority of young people who are NEET are engaging in education, employment or training, but moving in and out of the system as they drop out of or complete their previous activity. It is estimated that only around 1% of 16-18 year olds are "long term NEET", defined as young people who are NEET at each of the three survey points at 16, 17 and 18 years old. And at any one time, over half of the NEET group is actively seeking education, employment or training.

9. The NEET group is not homogenous. There is a diverse range of young people in the group with quite different characteristics. We also know that:

- the NEET group is getting older - 52% of those NEET are of academic age 18, compared with just 40% 5 years ago;
- the gender gap is widening - 16 year old boys are now more than twice as likely to be NEET as 16 year old girls;
- a higher proportion of young people are 'inactive' and are not looking for work or learning;
- 39% of those with no GCSEs are NEET at 16, compared to 2% of 16 year olds who attained 5 or more A\* - C GCSEs;
- persistent absentees are 7 times more likely to be NEET at age 16;
- young people with Learning Difficulties and Disabilities are twice as likely to be NEET;
- an estimated 20,000 teenage mothers are NEET.

### **Our strategy for reducing NEET**

10. We need to ensure that many more young people choose to stay in learning post-16, including those with multiple barriers to learning. To do that we need to make changes so that the system provides:

- an excellent universal offer for all young people to prevent them disengaging;
- a very efficient service for getting back into learning and work those young people who become NEET but have no specific barriers to engagement; and
- more targeted and intensive support to engage those young people with particular barriers to participation or to re-engagement – similar to the more intensive support that the New Deal provides for young people over 18 out of work for six months, and for the long-term unemployed.

11. Our strategy for reducing NEET in preparation for 2013 is based on embedding through the system:

- Careful tracking - to identify early those young people who are NEET, or who are at risk of becoming NEET;
- Personalised guidance and support – to make sure young people know how to access education, training or employment and to enable them to overcome barriers to participation;
- Provision of a full range of courses to meet demand – to engage young people through sufficient provision at every level and in every style of learning.

We set out in this paper our plans to strengthen each of these elements further. And we will also add a further key component to the strategy:

- A new emphasis on rights and responsibilities – so that there is a clear set of incentives on young people to re-engage as quickly as possible if they drop out.

### Careful tracking

12. Rigorous and effective local tracking, primarily through the Client Caseload Information System (CCIS), is crucial in reducing NEET. It means that local authorities and their Connexions Services:

- know which young people are most at risk of disengaging;
- know their history, characteristics and needs; and
- are able to contact and support them individually.

13. Over recent years we have made improvements to CCIS which have reduced the proportion of young people whose activity is not known from 13.6% in 2003 to 4.9% in 2006.

14. To strengthen this system further we are introducing the post-16 progression measure which will make information on the destinations of former pupils available to schools. The measure will help them evaluate their information, advice and guidance (IAG) services in supporting young people to make choices at 16 which will lead them to achieve and succeed. The data will be available to schools in 2008. We will also make school level destinations data available to School Improvement Partners, to inform their discussions with schools, and in future to the public.

15. Nationally, CCIS data is used to manage performance against the NEET target. This year local targets are in place in all areas, with many authorities also having reward targets as part of their Local Area Agreement. From next year the NEET indicator will be part of the National Indicator Set for local authorities. Ofsted uses CCIS data in its assessment of LAs' wider performance through the Annual Performance Assessment, as do Government Offices in their annual priorities discussions with local authorities. NEET is also one of the indicators used in the 14-19 progress checks, a tool

for assessing local authorities' readiness to deliver the 14-19 reforms.

16. Clearly the longer that a young person is NEET the more intensive the tracking and intervention needs to be. This means that for the hardest to help the Connexions Service and other youth support services need to develop a shared understanding of the needs of the young person and to ensure that their interventions are tailored, appropriate and co-ordinated.

**17. This year we are further strengthening the tracking system by introducing a new requirement for post-16 learning providers to notify Connexions Services as soon as a young person leaves post-16 learning. This is essential to make sure that young people receive support as soon as they drop out of learning and become NEET. In the legislation to raise the participation age we will formalise this new arrangement for notification by making it a legal duty for schools, colleges and other providers to let the system know if a young person drops out of learning.**

#### Provision of a full range of courses to meet demand

18. We know from the Youth Cohort Survey that most young people who are NEET say it is because the right provision is not available or they do not have the qualifications to progress. We therefore have to make sure that every young person has a choice of provision:

- at every level;
- for every style of learning;
- everywhere in the country;
- that enables them to progress;
- and to achieve the skills they need for life and work.

19. That is why we are already reforming the qualifications framework to ensure there is the right range of provision to meet young people's needs and provide them with the skills they need for life. The reforms include more space for catch-up at KS3; new GCSEs, A-Levels and an extended project; the introduction of a Foundation Learning Tier; the new Diplomas and more Apprenticeship places. In 2013 we will introduce an entitlement for young people to study any one of the 14 Diplomas lines no matter where they live.

20. All of these reforms will play a part in preventing disengagement and re-engaging young people who are NEET. However, because of the numbers of young people in the NEET group who are lower achievers it is particularly important to have good level 1 and entry level provision. Currently one of the most effective programmes with young people who are NEET or at risk of being NEET is Entry to Employment (E2E). E2E is a work-based learning programme for those young people aged 16 - 18 who are not yet ready or able to enter an Apprenticeship, employment or further learning opportunities.

21. We are reforming provision below level 2 through the development of the Foundation Learning Tier (FLT). There are 3 strands to the FLT; skills for life and work (including functional skills); vocational and subject based learning; and personal and social development. We believe that these 3 elements of the programme will support young people who have been NEET or are at risk of being NEET to both attain and progress. When we have fully implemented the FLT in 2010, the components of E2E will sit within it.

22. We are also piloting the Key Stage 4 Engagement Programme, which is aimed at preventing young people from becoming NEET. The programme uses work-focused learning to re-motivate young people at risk of dropping-out because of disaffection with the mainstream curriculum and classroom based learning styles.

**23. We will now seek to increase the flexibility of the system to enable more young people to start programmes during the course of the academic year, so that those who drop out or do not start a course in September can be re-engaged quickly. It is particularly important that we ensure that young people can start courses in January, which has historically been a moment when some young people drop out, having made a poor choice in September. Some colleges are already making flexible offers of this sort and we are producing a toolkit including case studies of existing practice which show how it can be done well.**

#### Personalised support and guidance for young people

24. We need to ensure we have both an excellent universal offer of support for all young people, and more targeted support to engage those young people with particular barriers to participation.

25. The universal offer to all young people is good quality, comprehensive and impartial information, advice and guidance to support them to make informed choices about their future. DCSF has recently introduced a set of quality standards to improve young people's IAG and these are currently being implemented in all local authorities. DCSF is also working with the Department for Work and Pensions to support young people to make the transition from education and training to work. In addition, the 14-19 prospectus, which is now available online in every area provides young people, guidance professionals and carers with up-to-date information on the education and training options available to them. By 2010 the prospectus will be linked to a Common Application Process and Individual Learning Plan to support access to a diverse range of opportunities.

26. We have also made available financial support which incentivises participation and makes sure that financial barriers do not stand in the way of participation. The Education Maintenance Allowance (EMA) provides both an incentive and support through providing an income assessed allowance for young people who participate in post-16 learning. Young parents can also access Care to Learn (C2L) which provides financial support to cover the cost of childcare (and associated additional transport costs).

27. In addition to the existing financial support programmes, we are piloting Activity Agreements which are aimed specifically at re-engaging 16 and 17 year olds who have been long term NEET. The Activity Agreement is a personalised action plan negotiated and agreed with a Personal Adviser. In return for committing to, and completing, agreed activities to aid reintegration into learning, young people will get a weekly allowance for up to 20 weeks. Emerging findings from the pilots are that this approach is successful in engaging young people who are long term NEET. We have also announced that there will be Activity Agreements for all NEET 16 and 17 year olds nationally who are in receipt of Jobseeker's Allowance (severe hardship), to help them to re-engage, and take up their statutory right to an appropriate place in education or training, or find a job with training.

28. The minority of young people need more targeted support because they have potential barriers to learning. Key to this is the development of the targeted youth support service as a more integrated and responsive service for young people. This will be underpinned by a common assessment framework, to be used by all professionals to assess the needs of young people. We are also piloting the idea of a budget holding lead professional, who will have a flexible budget to meet and coordinate the needs of a young person

29. Each of these will make a significant impact on hard to reach young people who are NEET. In addition, we are providing specific support and guidance for the most vulnerable groups and those with specific barriers to learning including those with learning difficulties, care leavers, teenage mothers, young offenders and those with drug and alcohol problems.

**30. In addition, we are trialling an extension of EMA so that more courses are eligible for EMA, including those funded by local authorities. This extension gives the local authority the opportunity to be more flexible in commissioning provision for the hardest to help because they know it will attract the financial support the most vulnerable young people will need. After the trials we will undertake a full review of what counts as valid provision for EMA.**

**31. We will enhance EMA for those young people participating in Entry to Employment programmes, to ensure that those young people who need it are able to access the lower-level education and training they need to make themselves ready for work. All young people participating in Entry to Employment programmes will be eligible for the £30 weekly payment. This will target financial support on provision that we know is successful at engaging young people at risk of becoming NEET.**

**32. Additionally, we will begin this year to pilot a new variant of the Activity Agreements, which will test the effectiveness of applying the Activity Agreement approach to young people as soon as they leave learning, rather than applying only to those have been NEET for an extended period. We will need to consider evaluation evidence from the Activity Agreement pilots in developing a national approach to tackling**

## **NEET over the coming years in preparation for raising the participation age.**

### Working together to deliver tracking, support and provision

33. The three core elements of the NEET strategy – tracking, support and provision – have to work together seamlessly to meet the needs of young people. The September Guarantee ensures that these elements come together so that every young person is offered a suitable place in post-16 learning by the end of September after they leave full time education. This is important because transition at 16 can be a particularly vulnerable time for many young people and is one of the major transition points in the system that young people who become NEET fail to make.

**34. We will now extend the September Guarantee for 16 year olds to 17 year olds, so that all 17 year olds have the offer of a place to continue or re-engage in learning. This will build on existing arrangements to ensure that young people who complete courses at 17 years old or drop out during their first year of post-compulsory education are given the support and provision to re-engage.**

### **Next Steps: New rights and responsibilities**

35. The measures outlined above will make a major contribution to reducing the number of young people who are not in education, employment or training. Though some of the reforms are only being implemented this year, we are seeing early signs that the reform programme is beginning to have an impact, especially on the numbers of 16 and 17 year olds who are NEET.

36. However, as we legislate to raise the education leaving age to 17 and then 18 we need to go further. We cannot wait until 2013 to change the expectations and aspirations of young people and their parents or to have an education and training system that engages all young people.

37. We intend to make sure that there are very clear incentives in place for all young people to re-engage quickly should they become NEET. Currently, young people become eligible for Jobseeker's Allowance as soon as they reach the age of 18. However, (unless they are in one of a small number of groups who qualify for early entry, such as ex-offenders and young people with disabilities) it is a further 6 months before they enter the intensive support and sanctions regime of the New Deal. This is true even if they have been NEET for a considerable period before their 18<sup>th</sup> birthday.

**38. The Government believes that we need to change this system so that young people making the transition to JSA at 18, who have already been NEET for 26 weeks at the age of 18, will move immediately into intensive support to find employment.**

**39. The Department for Work and Pensions will therefore make changes to New Deal from April 2008 to make sure that 18 year olds with any history of being NEET in the past can, by agreement with their**



**Personal Adviser, be fast tracked to the gateway stage of New Deal on a voluntary basis. In addition, from 2009 DWP will take this approach further by making fast tracking to the gateway mandatory for 18 year olds who have already built up a 6 month period of NEET.**

**40. This means that from April 2009, there will be mandatory fast tracking to the 6 months gateway stage of New Deal for all 18 year olds who have:**

- a. been 26 or more weeks NEET immediately prior to turning 18; or**
- b. reach 26 weeks on JSA and NEET whilst they are 18 years old.**

**41. In consequence, young people under 18 will know that every day spent NEET will contribute towards moving them towards the New Deal regime. This will provide them with a clear incentive to re-engage as quickly as possible, while also ensuring that those who are NEET aged 18 will receive intensive support more quickly.**

## **Conclusion**

42. The NEET group is a very varied one, and although the number in the group has declined from the peak of the mid-1980s, it has remained stubbornly high. The majority of young people who are NEET are NEET for a relatively short period of time – only 1% of the cohort are NEET at 16, 17 and 18. Our strategy is therefore designed both to make sure that the ‘frictional’ group who are NEET for a short period of time are re-engaged as quickly as possible; and to make sure that there is intensive action to address the problems of the long term NEET group.

43. Over the last year we have designed a strategy based on three key elements: careful tracking of young people to identify their needs; a flexible mix of learning provision designed to meet the needs of every young person in every area; and good advice and support to enable young people to access suitable provision.

44. This strategy is already starting to show early signs of having an impact, with more young people engaging in learning and with a reduction last year of 20,800 young people at 16 and 17 years old who were NEET. We expect the implementation across the country this year of the September Guarantee (of a place in learning for all 16 year olds) to increase the numbers participating even further.

45. We are now strengthening this strategy further, by:

- **Further strengthening the tracking system**, by requiring all learning providers to notify the Connexions service as soon as any young person drops out.

- **Increasing the flexibility of provision**, so that if any young person drops out, it will be easier for them to access an alternative place in learning quickly.
- **Extending EMA**, so that young people on a wider range of courses can receive support; and **so that all young people on Entry to Employment courses (which are particularly important for those at risk of being NEET) receive EMA.**
- **Extending Activity Agreement pilots**, so that they examine the effectiveness of engaging young people in an activity agreement as soon as they drop out of learning, rather than after an extended period of being NEET.
- **Extending the September Guarantee, so that 17 as well as 16 year olds are covered.**
- **Introducing a fourth ‘rights and responsibilities’ strand to the strategy, so that all young people who have been NEET for at least 26 weeks by the time they reach their 18<sup>th</sup> birthday are fast-tracked to the intensive support and sanctions regime of the New Deal – so that every day spent NEET before 18 counts towards the eligibility threshold for the New Deal.**

46. As we deliver this strengthened strategy we will sharply reduce the number of young people who are NEET by engaging young people and keeping them engaged in education and training until they are 18, with a smooth onward transition to further education or employment. This will ensure that ahead of 2013, when we raise the age of participation to 17 years old, we will have in place a system which engages many more young people in learning and work.