House of Commons
Work and Pensions Committee

Employment Opportunities for Young People: Government Response to the Committee’s Ninth Report of Session 2016-17

Fifth Special Report of Session 2017–19

Report, together with formal minutes relating to the report

Ordered by the House of Commons to be printed 7 February 2018
Work and Pensions Committee

The Work and Pensions Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Department for Work and Pensions and its associated public bodies.

Current membership
Rt Hon Frank Field MP (Labour, Birkenhead) (Chair)
Heidi Allen MP (Conservative, South Cambridgeshire)
Andrew Bowie MP (Conservative, West Aberdeenshire and Kincardine)
Jack Brereton MP (Conservative, Stoke-on-Trent South)
Alex Burghart MP (Conservative, Brentwood and Ongar)
Neil Coyle MP (Labour, Bermondsey and Old Southwark)
Emma Dent Coad MP (Labour, Kensington)
Ruth George MP (Labour, High Peak)
Chris Green MP (Conservative, Bolton West)
Steve McCabe MP (Labour, Birmingham, Selly Oak)
Chris Stephens MP (Scottish National Party, Glasgow South West)

Powers
The Committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No 152. These are available on the internet via www.parliament.uk.

Publication
Committee reports are published on the publications page of the Committee’s website and in print by Order of the House.
Evidence relating to this report is published on the inquiry page of the Committee’s website.

Committee staff
The current staff of the Committee are Adam Mellows-Facer (Clerk), Katy Stout (Second Clerk), Libby McEnhill (Committee Specialist), Rod McInnes (Committee Specialist), Tom Tyson (Committee Specialist), Jessica Bridges-Palmer (Senior Media and Policy Officer), Esther Goosey (Senior Committee Assistant), Michelle Garratty (Committee Assistant) and Ellen Watson (Assistant Policy Analyst).

Contacts
All correspondence should be addressed to the Clerk of the Work and Pensions Committee, House of Commons, London SW1A 0AA. The telephone number for general enquiries is 020 7219 8976; the Committee’s email address is workpencom@parliament.uk.
Fifth Special Report

The Work and Pensions Committee published its Ninth Report of Session 2016–17, Employment Opportunities for Young People (HC 586) on 29 March 2017. The Government’s response was received on 31 January 2018 and is appended to this report.

In the Government response, the Committee’s recommendations appear in italicized text and the Government’s responses appear in plain text.

Appendix: Government Response

1. This Government is committed to providing support so that all young people have the opportunity to participate in education or training, and progress in work. This is critical if we are to improve productivity and reduce intergenerational disadvantage and poverty.

2. The youth unemployment rate is at a near record low. 5.0% of young people aged 16–24 are unemployed and not in full time education, and the UK now has the second highest youth employment rate in the G7. 86% of 16–24 year olds are in full-time study or work.

3. However, around 1 in 9 16–24 year olds are not in employment, education or training. Although some may have taken a positive decision to take some time out before starting a career, others struggle to overcome complex barriers and multiple setbacks.

4. The 2017 Manifesto re-iterated the Government’s commitment to providing “targeted support for young people between the ages of 18 and 24 so that everyone, no matter what their start in life, is given the very best chance of getting into work”.

5. We are embarking on a major reform of the post-16 skills system in England, focusing particularly on technical education and lifelong learning. As planned, on 26 April 2017 we also introduced a new programme of intensive support for 18–21 year olds making a new claim to Universal Credit full service.

6. The Committee published its report on 29 March 2017, just before the dissolution of Parliament and start of purdah on 21 April. Since the election, the Government has been carefully considering the recommendations of the Committee. Our response to each recommendation is set out below.

Perceptions of Jobcentre Plus

Committee Recommendation 1:

The recommissioning of JCP’s estate in 2018 offers an opportunity for the Department to address some of JCP’s branding and image problems. Prior to recommissioning, we recommend it works with organisations that deliver successful employment support to adapt its mainstream service. This should focus on possible changes to the physical environment

---

1 Young People not in education, employment or training (NEET), UK: November 2017 https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/unemployment/bulletins/youngpeoplenotineducationemploymentortrainingneet/november2017

to make JCP feel more welcoming, and less intimidating, to young claimants. We also recommend the Department launch a social media campaign, aimed at young people and the organisations that support them, to publicise the full range of support already available via JCP. (Paragraph 23)

**Government Response:**

7. The Department for Work and Pensions recognises the importance of providing an appropriate and supportive environment for young claimants. As Universal Credit continues to roll out across the country, work is taking place to update and improve the customer facing areas of Jobcentres, focusing on making them more interactive, dynamic, and relevant to local communities.

8. Every Jobcentre now has free-to-use Wi-Fi, allowing young claimants to use their own devices such as smart phones. Computers are also available for claimants to use, and in 2018 the Department plans to replace the existing stock with devices more typical of those that younger customers use in their everyday lives. This work forms a key part of Universal Credit roll-out planning.

9. The Department has introduced Service Delivery Teams in Jobcentres to provide digital coaching for all customers that require this, in a patient, professional and supportive manner. Universal Credit is designed to be delivered in a digital environment, which will be familiar to young people. For those who need a little more support, the Service Delivery Teams will help claimants set up their Universal Credit claims and support them in maintaining accounts.

10. New display materials to help direct and support claimants were tested in 2017 for the front of house areas in Jobcentres. These posters covered a range of information designed to promote the local help and support that is available, and encourage self-service and job search activity.

11. Feedback from the testing showed that claimants felt the posters contained helpful and relevant information. In particular, claimants responded well to messages about the help and support available from Jobcentre Plus staff and about working as a team to help them find work. These materials will be rolled out nationally from January 2018 and again are designed to promote a more inclusive, supportive environment for all.

12. During 2018 the Department will also undertake further customer insight work to help Jobcentre Plus improve the environment for vulnerable customers, including young people, and improve their understanding of the support available to them.

13. Jobcentre Plus works closely with community organisations, skills and service providers, and employers across their local area. The Select Committee heard evidence from MyGo, a partnership between Tomorrow’s People, PeoplePlus, the local authority, LEP and Jobcentre Plus operating in Ipswich for 16–24 year olds. The Department is still awaiting the evaluation findings. Once received we will able to consider the findings on the effectiveness of this co-location partnership approach to employment services.

14. The Department’s partnerships teams reach out to local organisations and partners for diverse groups, including young people, in areas where there might be specific challenges and where partnership working with organisations that young people might turn to is
critical. Jobcentre Plus staff do all that they can to ensure that its offer is focused on and relevant to the local communities in which they operate. They attend local community events, for example open days, Jobsfairs, and events for National Apprenticeship Week, to engage with claimants. Jobcentre Plus also host events for claimants to meet with local service providers and employers.

15. Young claimants have weekly meetings with their own dedicated work coach who will tailor advice and support to the individual’s capability and circumstances. The work coach is trained to listen to the claimant and ask open questions to help the young person think through their own work goals and aspirations and develop their understanding of local labour market opportunities. The work coach will help them with their job search and employability skills and provide coaching and encouragement to overcome barriers. They will help them identify the support that would benefit them and navigate a wide range of specialist services, training and other local provision.

16. The Department has also started recruiting Community Partners in every Jobcentre to build networks of support for young people with disabilities. These Community Partners are individuals and organisations who have expert knowledge or a lived experience of disability. They will help build a service that meets the needs and aspirations of young claimants by working with employers, local authorities and their family.

17. Individually tailored support from work coaches and Community Partners is an effective way to encourage young people to take up support available locally. Whilst the Department has a regular presence on social media networks, it has no current plan for a targeted youth campaign. However, the Department will keep the need for a campaign under review.

Jobcentre Plus Support for Schools

Committee Recommendation 2:

The Department is planning a further research programme on Support for Schools, evaluating the national roll-out. We recommend that within this it looks specifically at vocational education: how many schools take up advice on this, and whether there is any identifiable impact on student ambitions, knowledge about and perceptions of apprenticeships and traineeships, or choices when they leave school. If it can demonstrate improvements in this respect, we recommend the Department further scales up Support for Schools to ensure that more schools are able to benefit. (Paragraph 35)

Government Response:

18. Since the programme’s inception, the promotion of the parity of vocational and academic routes into employment has been a key element of Jobcentre Plus Support for Schools. The aim of this programme is to provide students, teachers and parents with up-to-date information and advice on the benefits of Apprenticeships and traineeships, related to the local economy and employer need. This purpose will continue to be of primary importance as the programme rolls out to more schools. Jobcentre Plus work in this area
Employment Opportunities for Young People: Government Response

is closely aligned at both a national and local level with that of the National Apprenticeship Service and National Careers Service, ensuring a consistent cross-government message is delivered to all stakeholders.

19. The Department commissioned a national evaluation of the programme which has been undertaken by Kantar Research, who also undertook the Pathfinder evaluation published in December 2016. This is a qualitative evaluation using a case study approach to understand the perceptions, experiences and impact on future plans of students who have received support from Schools Advisers, support and advice on Apprenticeships and vocational education. It will also evaluate the effect of Schools Advisers on student aspirations, knowledge and perceptions of vocational education. Fieldwork for the national evaluation started at the end of April 2017, and included interviews with participating schools and focus groups with students. The Department expects results from the national evaluation to be available in early 2018.

20. The Department is monitoring the rollout of the programme, and Government will consider the evaluation findings when making decisions about the future and any expansion of the programme.

The Youth Obligation

Committee Recommendation 3:

The Department has already conducted a good quality trial of the IAP. Given this, and the strength of evidence of the importance of getting unemployed young people into work quickly, we recommend it uncouple the roll out of the Youth Obligation from Universal Credit and commit to introducing it on a more ambitious timescale from April 2017. This should prioritise areas which have particularly high levels of youth unemployment. (Paragraph 43)

Government Response:

21. The Government understands the Committee’s wish to have additional support available as early as possible, such as the Intensive Activity Programme which includes a set of activities and exercises aimed at helping claimants move them closer to work. In line with the Government’s 2017 Manifesto, the Department is committed to providing targeted support for young people. However, Government remains satisfied that keeping the roll out of additional support for 18–21 year olds aligned with that of Universal Credit is the best approach.

22. The Department is currently focused on rolling out Universal Credit full service – which is proven to help people into employment more quickly than the old system – in a safe and secure fashion. While Government has made some modest adjustments to the roll out plan to accommodate the changes to Universal Credit announced at the Autumn Budget, it remains on course to complete the roll out for all new claims by December 2018. Universal Credit full service is already operating in around one third of the country for new claims.

23. Focusing the Department’s attention on the successful roll out of this major welfare reform must be the top priority alongside sticking to plans for rolling out extra support for young people in a way which does not jeopardise Universal Credit plans. Implementing
policy changes across a dispersed and large national network where claimants rely on the Department’s services takes careful planning if existing services are not to be compromised. Training capacity and the bandwidth of managers is finite: brigading the youth support reform with the roll out of Universal Credit full service means staff can be trained on both these changes together and that managers can plan for one date when changes will be made. This will help the efficiency and effectiveness of these changes.

24. It is important to stress that considerable additional support is available to young people who are still claiming JSA or Universal Credit live service. The additional support that they may receive includes: basic skills training, other work related training (including traineeships), and additional appropriate local intensive support funded by the Department, local authorities, charities and other providers (for example Princes Trust Programmes, Talent Match programmes and Skills to Succeed modules designed for young people). Research has indicated, for example, that work experience and sector based work academy placements are effective for young people and this support is included in the Jobcentre Plus offer to all young unemployed claimants whether they are on JSA or Universal Credit.

25. Youth unemployment is at a near record low - 4.8% of young people aged 16–24 are unemployed and not in full time education. While the combination of the Universal Credit design and the extra support available to young people as Universal Credit full service is rolled out promises to deliver an even stronger offer, effective support is available to all young people making a claim to benefit today.

**Committee Recommendation 4:**

We recognise that the Department is still working through elements of the Youth Obligation design, including its assumptions of how many young people on the programme will still be unemployed at six months. We recommend that it sets out, in response to this report, how it is estimating claimant need for work placements and how it is approaching the task of arranging appropriate opportunities. We further recommend that the Department does not inadvertently limit the range, quality and relevance of placements that it is able to provide by making participation mandatory for claimants. There is evidence from previous schemes that this creates difficulties—both reputational and practical—for employers, and we heard that it may be counter-productive for the young people who take part. (Paragraph 45)

**Government Response:**

26. For every 18–21 year old on the programme who has had intensive support for six months and is still out of work (a minority) and who does not take up work-related training, the Department is offering a three month work experience placement to help them achieve their job goals. The claimant will not be referred to a work experience opportunity unless they agree that this is the right opportunity for them and participation is voluntary, not mandatory. We agree with the Committee that voluntary participation will extend the range of quality places employers are willing to offer.

27. Those that do not take up this offer of work experience will continue to receive work-focused support from their work coach and may be referred to a range of local provision to support them into work.
28. The Department estimates demand for work experience opportunities, and sources those opportunities, using forecast volumes of Universal Credit claimants who are eligible, and rates of referral and take-up of work experience by young claimants. Volumes will increase over time as Universal Credit full service continues to roll-out across the country and planning assumptions will change as further data becomes available. The Department’s employer and partnerships managers are sourcing placements on that basis for the future, working with the full range of local and national employers on its portfolio.

29. It is important that the opportunities the Department offers a claimant are relevant to both the local labour market and the claimant’s job goals, so that claimants gain experience that matches vacancies available in their local area. Following the stocktake assessment after five months of intensive support, work coaches will discuss the potential work experience role that the claimant may need with their local Departmental Employer Adviser. This helps the local Employer Adviser refine their engagement with local organisations and employers, to ensure the right opportunities are available to offer claimants.

30. Jobcentre Plus Employer Advisers will agree with an employer the type or range of roles they can offer and for how long. Jobcentre Plus can build the offer of three months’ work experience from a number of opportunities with local employers, ensuring that the claimant goes on placements consecutively and that each one provides experiences and opportunities for work place learning relevant to the individual’s job goal.

31. The Department is also testing a new Supported Work Experience programme for young disabled people. Young people with an Education Health and Care plan or SEND support often find it difficult to secure and successfully complete employer work placements. The Department has developed two new projects to offer voluntary supported work experience to this group with the aim of improving their confidence, motivation and understanding of the labour market. Young Persons Supported Work Experience is currently being delivered in five Jobcentre Plus districts. Tri-Work is a similar initiative aimed at those in years 10/11 in schools and special schools. Both trials will target disabled young people most in need of support and facilitates, in order to provide full support for individuals and employers to improve preparation and ensure the young person is able to get the most from their opportunity.

Committee Recommendation 5:

We recommend that the Department provides work coaches with a set of “distance travelled” performance measures. These would be used to assess whether young claimants are making progress towards work, and to help work coaches to identify where additional support is needed via the Flexible Support Fund. They should also be used in determining whether progressing to the latter stages of the Youth Obligation is appropriate. JCP Branch Managers should also use these measures to identify work coaches who are effective in supporting young people into work, and to help them identify where coaches on their teams might benefit from more training and support. (Paragraph 51)

Government Response:

32. The Government agrees in principle with this recommendation but does not feel a separate set of performance measures is necessary for this claimant journey. By delivering
individual, tailored support to claimants through their own dedicated work coach we can already assess claimant progress on a more personal basis than a standard set of measures would allow.

33. There is a programme of activity in place which allows the work coach and the individual to monitor progress. Young claimants have weekly work search reviews where the work coach and the claimant assess progress, learning and next steps together. After five months of intensive support, claimants also have an extended stocktake review to assess their steps taken to find work, their employability skills, and remaining barriers to work; as well as further support to reassess their job goals and agree the next steps to take to ensure that they are making progress towards work. The Department has a quality framework in place that supports work coaches and their team leaders to deliver this holistic approach to assessing claimants’ progress. This includes claimant journey assurance activities to ensure appropriate support has been provided throughout. Management Information is provided to support this.

34. Work coach performance is already monitored closely by team leaders, who have regular case conferences with their work coaches to ensure that they are effectively managing and supporting their caseload of claimants, including helping them to consider where any further support is needed, and reviewing whether sufficient progress is being made, ensuring that the avenues being explored to support the claimant into work are the most effective ones. Best practice is shared across the work coach and team leader community.

35. Work coach learning and development needs are identified by the individual coach and by the management team as part of a commitment to ongoing personal and organisational development. These needs are discussed and addressed within monthly performance discussions to develop and improve interactions with all claimant groups. Each work coach has access to a suite of training products and tools to enhance their personal performance, including instructions and guidance products and access to learning material that can develop personal knowledge, skills and behaviours.

36. Individual performance and quality assurance work is also managed and monitored by team leaders. This ensures work coaches have the right skills and knowledge to conduct the role and confirms that claimants are receiving the appropriate support and challenge to meet their needs. Those work coaches who need additional support to do this are offered additional training and coaching to help achieve the required outcomes.

Committee Recommendation 6:

Some claimants will make progress towards work during the six month Youth Obligation timeframe, but still not be ready for employment. Where there is evidence of progress but significant doubt over work readiness, referral to additional specialist support programmes, via the Flexible Support Fund, should be a fourth option under the Youth Obligation. To ensure that young people are benefiting from the Department’s flexible support provision, we recommend it publish an audit of the Flexible Support Fund, taking into account how it is used by age group and for what purposes. In response to this report we recommend the Department sets out how much Flexible Support funding it expects to be spent on young people’s employment. This should be the first stage of on-going reporting on the purposes for which the Fund is used. (Paragraph 52)
Government Response:

37. 18–21 year olds on UC full service receive intensive work-focused coaching and referral to additional support drawn from a wide menu of locally available provision. This remains available after six months on intensive support if they are still unemployed and do not take up a work-related training or work experience opportunity. Some of this support is funded through the Flexible Support Fund.

38. The District Provision Tool (DPT) is an online source of information that lists the range of provision and support that is available locally and delivered by providers, local authorities, and independent and volunteer/charity organisations. It enables work coaches to refer claimants to provision that is funded by other organisations as well as that funded or delivered in partnership with the Department, for example through contracts via the Dynamic Purchasing System, Flexible Support Fund Grants and Community Budgets.

39. Work coaches may also use a budget in the Flexible Support Fund to provide individual support with travel costs, child care costs and interview clothing where required.

40. The Flexible Support Fund is designed to respond to the needs of the individual at a local and flexible level, which could already include specific additional provision for young people if there was an identified gap. Therefore the Government agrees that the Flexible Support Fund can provide support to some young people where they do not take up other options and where such support will be helpful to them. However, introducing a further centralised control function could inhibit District flexibilities and remove a key element of delivering personalised support to the claimant.

Working with employers

Committee Recommendation 7:

We recommend the Department set out the full scope of its Employer Engagement Strategy in response to this report. The Strategy should specifically identify how integration between JCP and local labour markets will be improved, taking into account the roles played by schools, colleges and apprenticeship providers, as well as employers. There should be a focus on the extent to which JCP understands the current and future business needs of employers and the role of JCP employer engagement staff in improving this. The Strategy should also set out how JCP Work coaches will be supported to strike the difficult balance between ensuring that young claimants apply for enough jobs, and ensuring that employers are not overwhelmed with unsuitable applications. (Paragraph 62)

Government Response:

41. The Department’s internal operational delivery guidance currently sets out key principles for the delivery of Jobcentre Plus employer engagement activity to improve the employer experience and achieve the Department’s objectives.

42. However, the way in which the Department interacts with and delivers services to employers is changing: there is more focus on local agendas and demand led services which allows the Department to find ways of bringing local partners together to deliver employment services differently.
43. To facilitate this approach the Department is developing a framework of support including tools and building capability to access, analyse and understand a wide range of local labour market data in order to build a comprehensive local evidence base. For example a tool which uses data from sources such as the Office for National Statistics, and enables policy makers and local managers to explore data by geography, time and other characteristics.

44. The framework will also provide a single view of the Department’s policies and wider Government priorities to improve local impacting and help the Department’s staff better understand the expectations of the relationships it builds with both employers and partners, and to support strategic engagement.

45. This should put the Department in a strong position to influence local funding and provision, agree evidence based local objectives and work more strategically with both partners and employers.

46. Improving local labour market knowledge will also help the Department to build the capability of its work coaches to better understand future labour market needs and employer expectations. This will help them manage the needs of employers alongside the needs of young people.

47. Operational testing of the tools will commence from March 2018 with a view to continued development of online resources over the following months.

48. The Department is also working with employers, stakeholders and other Government Departments to test how best it can respond to sector needs. For example, in early 2018 Jobcentre Plus will be holding a Logistics and Passenger Transport campaign, “#JobsThatMove”. The campaign will be industry led with direct involvement from major employers and Trade Body representatives from across the sector as well as the Department for Transport. This will be followed by a trial of a logistics “pipeline” project in Central England. Another example is working with local groups in North London to develop an approach for supporting hospitality employers.