

HOUSE OF LORDS

Liaison Committee

6th Report of Session 2019–21

New special inquiry committee on youth unemployment

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Liaison Committee

The Liaison Committee advises the House on the resources required for select committee work and allocates resources between select committees; reviews the select committee work of the House; considers requests for ad hoc committees and reports to the House with recommendations; ensures effective co-ordination between the two Houses; and considers the availability of Lords to serve on committees.

Membership

The Members of the Liaison Committee are:

[Lord Bradley](#)

[Lord Davies of Oldham](#)

[Baroness Hayter of Kentish Town](#)

[Earl Howe](#)

[Lord Judge](#)

[Lord Lang of Monkton](#)

[Lord Low of Dalston](#)

[Lord McFall of Alcluith](#) (Chair)

[Lord Smith of Hindhead](#)

[Lord Tyler](#)

[Baroness Walmsley](#)

Declaration of interests

See Appendix 1.

A full list of Members' interests can be found in the Register of Lords' Interests:

<http://www.parliament.uk/mps-lords-and-offices/standards-and-interests/register-of-lords-interests>

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Committee staff

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Evidence is published online at <https://committees.parliament.uk/work/440/special-inquiry-committee-proposals-202021/> and available for inspection at the Parliamentary Archives (020 7219 3074).

Q in footnotes refers to a question in oral evidence.

New special inquiry committee on youth unemployment

INTRODUCTION

1. In response to our call for proposals for new special inquiry (formerly *ad hoc*) committees in 2020–2021, we received a combined total of 35 submissions from members of the House, consistent with the large number of responses received in previous years.¹ In April we were due to undertake our regular process of shortlisting these proposals, a number of which made reference to COVID-19, with a view to recommending four new special inquiry committees. In late March and early April, however, several members of the Liaison Committee, in addition to a number of members of the House, suggested that the usual special inquiry process be ‘paused’ in order to allow a degree of re-focusing upon COVID-19. It was suggested that some committee resource could be dedicated to scrutiny of the Government response to COVID-19, and to understanding the wider and longer-term impacts for the economy, society, technology and international relations.
2. In response, in our 1st report we proposed the establishment of a committee to scrutinise the long-term implications of the COVID-19 pandemic on the economic and social wellbeing of the United Kingdom.² The Committee was appointed on 11 June 2020 and is expected to report on its second inquiry in Spring 2021.
3. The Liaison Committee reconvened on 7 December to consider the proposals we received this year, all of which are published online. The titles of these proposals are listed in Appendix 2, and the full text of the proposals is available at: <https://committees.parliament.uk/publications/3467/documents/33585/default/>.³
4. We considered all the proposals received in accordance with our published criteria for selection, as follows:
 - Makes best use of the knowledge and experience of Members of the House;
 - Complements the work of Commons departmental select committees;
 - Addresses areas of policy that cross departmental boundaries; and
 - The activity proposed should be capable of being confined to one session.
5. Three proposals were shortlisted, two of which were subsequently withdrawn. Lord Browne of Ladyton withdrew his submission as he preferred to support the appointment of a sessional committee on the environment and climate

1 Due to reasons related to COVID-19 and resourcing pressures, two proposals were chosen in April of this year and a second round was held a few months later and opened in October. All the outstanding proposals from the first round were considered alongside the additional proposals in the second round. Making a total of 35

2 Liaison Committee, *A Covid-19 Committee* (1st Report, Session 2019–21, HL Paper 56)

3 Lord Browne of Ladyton’s proposal was withdrawn but can be found at <https://committees.parliament.uk/publications/1519/documents/13950/default/>

change. Lord Puttnam withdrew his submission on the ‘Future of the High Street’ in the light of the current inquiry by the House of Commons Housing, Communities and Local Government Committee inquiry ‘Supporting our high streets after COVID-19’.⁴

6. Lord Baker was invited to present his proposal on ‘Youth unemployment’ to the Liaison Committee on 7 December. A transcript of this meeting was taken.⁵
7. This report sets out our recommendation to the House to appoint a new special inquiry Committee on youth unemployment.

4 Housing, Communities and Local Government Committee inquiry ‘Supporting our high streets after COVID-19’: <https://committees.parliament.uk/work/446/supporting-our-high-streets-after-covid19/>

5 [Q1](#)

YOUTH UNEMPLOYMENT COMMITTEE

8. Lord Baker of Dorking proposed a special inquiry committee to consider ‘youth unemployment.’
9. Youth unemployment is a long-standing issue in the UK and rates of unemployment tend to be higher in this group than amongst older adults. Whilst rates of unemployment amongst 16 to 24 year olds have been decreasing in recent years, COVID-19 has profoundly affected the labour market and economy, and youth unemployment is rising sharply as a result. Research shows that those in this age group are being disproportionately affected by the pandemic and are likely to bear the brunt of economic scarring for years to come. Furthermore, the Brexit transition period has added additional pressures to the economy.
10. Recent announcements from the Chancellor of the Exchequer and the Office for Budget Responsibility show that the UK economy is set to shrink by 11.3% in 2020, the sharpest decline in 300 years and is unlikely to return to pre-crisis levels until Q4 of 2022. Historical analysis has shown that the detrimental effects of economic crises are likely to be most acutely felt by young people in the short and long-term.
11. The UK labour market is effected by ‘skills gaps’ and some experts argue that this is due to the focus placed on academia within the education sector. The changes in migration due to Brexit and the challenges posed by COVID-19 may compound these skill gaps.
12. Unemployment in the UK has risen this year. Current figures show that 602,000 young people aged 16 to 24 are unemployed, an increase of 101,000 from the year before. The current unemployment rate for 16 to 24 year olds stands at 14.6%, almost 3% higher than the same period in 2019.⁶ The overall unemployment rate amongst 16 to 64 year olds in the UK is currently 4.8%.⁷ Forecasts released by the Office for Budget Responsibility on the 25 November 2020 predict that the overall unemployment rate amongst 16 to 64 year olds may rise to 7.5% by Q2 of 2021, which means that youth unemployment is likely to rise too.⁸
13. COVID-19 has had a profound effect on the labour market and economy.⁹ Whilst the economy is expected to avoid another recession, the Bank of England has predicted that unemployment will rise again in 2020¹⁰ and the Institute for Fiscal Studies echoes this forecast.¹¹ After the last recession in 2008–2009, it took seven years for the unemployment rate to return to pre-recession levels.¹² The economic shock caused by COVID-19 is different,

6 House of Commons Library, Youth unemployment statistics, [SN 05871](#), 10 November 2020

7 The ONS, ‘Unemployment rate’ (10 November 2020): <https://www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/unemployment> [accessed 14 December 2020]

8 Office for Budget Responsibility, ‘Economic and Fiscal Outlook’ (November 2020): http://cdn.obr.uk/CCS1020397650-001_OBR-November2020-EFO-v2-Web-accessible.pdf [accessed 14 December 2020]

9 GDP fell by 20.4% in the April 2020, the largest fall since monthly records began in 1997 and 3 times greater than the fall experienced during the 2008–2009 economic downturn.

10 Bank of England, ‘How persistent will the impact of Covid-19 on unemployment be?’ (5 October 2020): <https://www.bankofengland.co.uk/bank-overground/2020/how-persistent-will-the--impact-of-covid-19-on-unemployment-be> [accessed 14 December 2020]

11 Institute for Fiscal Studies ‘Job support cushions the economic pain of coronavirus, but it can’t last’ (26 October 2020): <https://www.ifs.org.uk/publications/15145> [accessed 14 December 2020]

12 Bank of England, [How persistent will the impact of Covid-19 on unemployment be?](#)

however and in this economic crisis, unemployment figures are closely linked to Government support schemes, such as Coronavirus Job Retention Scheme¹³ and containment measures¹⁴ and vaccine developments.

14. In line with past recessions, some experts predict that COVID-19 will have a disproportionate effect on employment and career prospects for young people. The Resolution Foundation predicts that the employment rate of today's graduates is projected to be 13 per cent lower, within three years of their graduations, due to the pandemic.¹⁵ Research undertaken by the Centre for Economic performance has shown that those aged 16-25 are over twice as likely as older employees to have suffered job loss, with over one in ten losing their job, and just under six in ten seeing their earnings fall.¹⁶
15. Risks associated with young people facing prolonged periods of unemployment can include negative impacts on their potential earnings and general health, and an increased risk of entering a life of crime.¹⁷
16. Lord Baker's proposal cites the focus on academia that has shaped the state schooling system since the Educational Reform Act of 1998 which introduced the national curriculum.¹⁸ The proposal cites widely held concerns over the skills gap that this may have created.
17. Over the past 50 years the number of individuals pursuing higher education has rapidly increased. In 1980, around 15% of the population stayed in higher education after the age of 18. By 2017, over 50% of young people were going to University. In 2020, the Secretary of State for Education, Gavin Williamson expressed support for achieving a parity of esteem between academic and technical education, announcing intentions to reform higher education and move towards "a wholesale rebalancing towards further and technical education."
18. A report undertaken by the Government Office for Science in 2017 found a range of long-standing weaknesses in the UK economy and skills system. One reason identified for this was technological change, with the OECD estimating that by 2036 10% of occupations in the UK will be fully automatable and McKinsey and co. estimating that around 50% of activities carried out by workers today could be partially automated.¹⁹ The report identified a mismatch between the skills of labour market entrants and the

13 The scheme has currently been extended to run until March 31 2021. <https://www.gov.uk/guidance/claim-for-wages-through-the-coronavirus-job-retention-scheme> other schemes include the Self-Employment Income Support Scheme grant: <https://www.gov.uk/guidance/claim-a-grant-through-the-coronavirus-covid-19-self-employment-income-support-scheme> [accessed 14 December 2020]

14 Bank of England, *How persistent will the impact of Covid-19 on unemployment be?*

15 Resolution Foundation, *Class of 2020: Education leavers in the current crisis*. p.4, (May 2020): <https://www.resolutionfoundation.org/app/uploads/2020/05/Class-of-2020.pdf> [accessed 14 December 2020]

16 Centre for Economic Performance, *Generation COVID: Emerging Work and Education Inequalities* (October 2020): <http://cep.lse.ac.uk/pubs/download/cepcovid-19-011.pdf> [accessed 14 December 2020]

17 The Centre for Education Policy and Equalising Opportunities, *UCL The unequal scarring effects of a recession on young people's life chances*, (June 2020), p 3: <https://repec-cepeo.ucl.ac.uk/cepeob/cepeobn6.pdf> [accessed 14 December 2020]

18 Education Reform Act 1988. The act stated core subjects to be: English, Maths and Science (and in Welsh speaking schools Welsh); Foundation subjects to be: history, geography, technology, music, art and physical education and a modern foreign language. <http://www.educationengland.org.uk/documents/acts/1988-education-reform-act.pdf> [accessed 14 December 2020]

19 Government Office for Science, *Future of Skills and lifelong learning* (20 July 2018): https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/727776/Foresight-future-of-skills-lifelong-learning_V8.pdf [accessed 14 December 2020]

requirements of employers, citing greater collaboration between employers and education as a potential way forward.

19. The Government have made a number of announcements and commissioned independent reports related to education and skills gaps in the UK. In 2019, the post-18 review of education and funding, an independent panel report led by Philip Augar was published.²⁰ The report found that “both higher technical and craft skills are in short supply with long-standing skills gaps in strategic sectors such as engineering, IT and digital”. It also concluded that “migrant labour is required in many sectors and at different levels.” The Government’s detailed plans in response to this report are not yet known. Further reviews of post-16 qualifications have since been announced this year²¹ alongside a review of the University admissions system in England.²²
20. A Government initiative to tackle youth unemployment has been implemented in 2020. The Kickstart Scheme provides funding to employers to create job placements for 16 to 24 year olds on Universal Credit with the Government funding the minimum or national living wage for 25 hours a week for up to 6 months.²³
21. A cross-cutting inquiry could focus on the genesis of youth unemployment and associated medium to long-term outcomes. A special inquiry of this nature could examine the following:
 - The causes and risks associated with high levels of youth unemployment and how these might be addressed.
 - Under-employment and insecure employment amongst young people and the associated challenges and risks (financial insecurity, exploitation, limited career progression).
 - Whether the national curriculum effectively meets the current and anticipated future needs of the labour market and society and if not, how this might be addressed.
 - The societal trend of prioritising the A-level/University route, the consequences for the labour market and society and what steps may be taken to address this.
 - The funding and support provided for technical education, including apprenticeships, sector-based skills programmes and the national skills fund.
 - The challenges posed by COVID-19 and Brexit to the employment prospects for young people and how these might be addressed.

20 Secretary of State for Education, *Independent panel report to the Review of Post-18 Education and Funding* (May 2019): https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/805127/Review_of_post_18_education_and_funding.pdf [accessed 14 December 2020]

21 Department for Education, Post-16 study at level 2 and below: call for evidence (10 November 2020): <https://www.gov.uk/government/consultations/post-16-study-at-level-2-and-below-call-for-evidence>

22 Department for Education, Press release: ‘Government plans for post-qualification university admissions’ (13 November 2020): <https://www.gov.uk/government/news/government-plans-for-post-qualification-university-admissions> see also, Universities UK, Fair Admissions Review (November 2020): <https://www.universitiesuk.ac.uk/policy-and-analysis/reports/Documents/2020/uuk-fair-admissions-review.pdf> [accessed 14 December 2020]

23 Department for Work and Pensions, ‘Kickstart Scheme’ (30 October 2020): <https://www.gov.uk/government/collections/kickstart-scheme> [accessed 14 December 2020]

- The challenges posed by COVID-19 and Brexit to the labour market and the role of education and training for young people in meeting this challenge.

22. *The Committee recommends that a special inquiry committee be appointed in late January 2021 “to consider youth unemployment, education and skills”, to report by 30 November 2021.*

APPENDIX 1: LIST OF MEMBERS AND DECLARATIONS OF INTEREST

Members

Lord Bradley
 Lord Davies of Oldham
 Baroness Hayter of Kentish Town
 Earl Howe
 Lord Lang of Monkton
 Lord Low of Dalston
 Lord Judge
 Lord McFall of Alcluith (Chair)
 Lord Smith of Hindhead
 Lord Tyler
 Baroness Walmsley

Declaration of interests

Lord Bradley
I refer to my interests in the register

Lord Davies of Oldham
No relevant interests to declare

Baroness Hayter of Kentish Town
*I am a Vice Chair of the APPG on Alcohol Harm
 Former Chief Executive of Alcohol Concern*

Earl Howe
*As a partner in a family farming and rural estate enterprise, I declare an interest in the following special inquiry proposals:
 Land use framework in England (Earl of Caithness)
 The role of Horticulture (Baroness Fookes)*

Lord Judge
No relevant interests to declare

Lord Lang of Monkton
No relevant interests to declare

Lord Low of Dalston
No relevant interests to declare

Lord McFall of Alcluith
No relevant interests to declare

Lord Smith of Hindhead
*CEO of the Association of Conservative Clubs
 Chairman of Best Bar None*

Lord Tyler
No relevant interests to declare

Baroness Walmsley
Active member of APPGs on health, cancer and children

A full list of members' interests can be found in the Register of Lords' Interests: <http://www.parliament.uk/mps-lords-and-offices/standards-and-interests/register-of-lords-interests>

APPENDIX 2: LIST OF TITLES SUBMITTED

The proposals we received were published online on 17 November 2020. These are available at <https://committees.parliament.uk/publications/3467/documents/33585/default>. The titles of the proposals are listed below.

Remaining proposals submitted in March 2020:

- Abortion in the UK (Baroness Tonge and Baroness Barker)
- Children’s wellbeing (Bishop of Durham)
- COVID-19 and prevention in public health (Baroness Greengross)
- Disabled people and work (Baroness Thomas of Winchester and Baroness Campbell of Surbiton)
- Genome editing (Lord Harries of Pentregarth)
- Improving foreign language learning in the UK (Bishop of Leeds)
- Land use framework in England—the case for it (Earl of Caithness)
- Live facial recognition technology (Lord Clement-Jones)
- National Identity Cards (Lord Campbell-Savours)
- New home communal assets and rentcharges (Earl of Lytton)
- Reversing Beeching—the case for reopening closed railway lines and stations (Lord Faulkner of Worcester and Lord Shutt of Greetland)
- Social care (Bishop of Carlisle)
- The problem of “marriages” that are not marriages (Baroness Cox)
- The role and importance of horticulture to the economy, health and wellbeing, and climate change (Baroness Fookes)
- UK’s role in expanding global media freedom (Lord Black of Brentwood)
- These Islands (Lord Soley)
- To investigate the “Crisis of replication” in science and ways of assuring the quality of scientific studies on which public policy is based (Lord Lilley)
- The adequacy and resilience of the Government’s plans to deliver net zero carbon emissions by 2050 (Lord Browne of Ladyton)²⁴
- Wellbeing as the guide to policy (Lord O’Donnell and Lord Layard)

Proposals submitted in October 2020

- Alcohol and society in the UK (Baroness Finlay of Llandaff)
- Examination of the modalities of the UK staying in the EU (Lord Dykes)
- International Role for the UK post-Brexit (Baroness D’Souza)
- Live facial recognition technology (Lord Clement-Jones)
- Development of an identity system (Lord Blunkett)
- Devolution and Coronavirus (Lord Lipsey)

24 Lord Browne of Ladyton’s proposal was withdrawn.

- Ethical Trade Post-Brexit: How to Uphold the UK's International Obligations (Lord Bishop of St Albans)
- Future of the High Street (Lord Puttnam)²⁵
- Globalisation and Biosecurity—risks and benefits for animal, plant and environmental health (Lord Trees and Lord Blencathra)
- COVID-19 and prevention in public health (Baroness Greengross)
- Genocide determination conducive to triggering HMG's duties under the UN
- Convention on the Prevention and Punishment of the Crime of Genocide (Lord Alton of Liverpool)—revised proposal
- Protecting the wellbeing of future generations (Lord Bird)
- Should there be more devolution in England? (Lord Dubs)
- The world of work—COVID and beyond (Baroness Blower and Lord Hendy)
- Youth unemployment (Lord Baker of Dorking)

25 Lord's Puttnam's proposal was withdrawn.

APPENDIX 3: TEMPLATE SPECIAL INQUIRY SUBMISSION FORM

Invitation to Members to submit special inquiry (previously known as ad hoc) committee proposals for 2020–21

In April the Liaison Committee was due to undertake its regular process of shortlisting and, ultimately, choosing four special inquiry topics for the forthcoming year. 24 proposals were submitted by members of the House, a number of which made reference to Covid-19. In late March and early April a number of members of the Liaison Committee suggested that the usual special inquiry process be ‘paused’, in order to allow a degree of re-focusing upon the present situation. It was suggested that there should be a re-orientation of our scrutiny work to take account of current circumstances. In response, we recommended, and the House agreed, the establishment of a dedicated committee to undertake a comprehensive examination of the long-term implications of COVID-19. In July the Liaison Committee selected two special inquiry committees to start later this year, as well as separately recommending the establishment of a committee to scrutinise common frameworks.

On behalf of the Liaison Committee, I am now writing to invite members to suggest proposals for two more special inquiry committees to start in early 2021. All the proposals which were submitted earlier this year will be automatically considered by the committee, there is no need for members which made those proposals to re-submit them unless they want to change or to withdraw them. The deadline for all submissions, including any re-submissions, is 28 October.

In order to provide greater consistency, this year the Committee is again inviting all members submitting proposals to use the headings suggested in the form accompanying this invitation. Proposals should be sent to the Clerk of the Liaison Committee, Philippa Tudor, by email: hlliaisoncmttee@parliament.uk no later than 28 October.

All ideas submitted by then will be considered by the Liaison Committee using the following criteria for selection:

- Makes best use of the knowledge and experience of Members of the House
- Complements the work of Commons departmental select committees
- Addresses areas of policy that cross departmental boundaries
- The activity proposed should be capable of being confined to one session.

Members whose proposals are shortlisted by the Liaison Committee will be invited to present their proposal briefly to a meeting of the Committee later this year. The Liaison Committee expects to recommend up to two proposals for new special inquiry Committees for appointment in early 2021. The two new special inquiry committees which have already been selected by the Liaison Committee will have to report by the end of November 2021, and it is hoped that the new committees will have a similar date by which to report.

In reviewing proposals, the Liaison Committee takes into account the criteria listed above. In addition, the Committee may also take into account wider factors such as the balance of topics across the special inquiry committees (including in previous years), the work being undertaken by other Committees and within Government, and the possibility of early legislation on the subject matter.

During November and December the Liaison Committee will also be considering the second stage of the review of committees and the appropriate balance of committees following the UK's withdrawal from the EU. I would welcome members' contribution to that debate to ensure that House of Lords committees achieve a strategic approach to future scrutiny needs within a thematic framework.

MCFALL OF ALCLUITH OCTOBER 2020

Liaison Committee: Proposal for a special inquiry (ad hoc) committee in 2020–2021

Note: Following feedback, the Liaison Committee has agreed this template for use by members wishing to propose an inquiry. Members are invited to use it as a guide, and to address each of the questions below. Members are asked to describe the proposal in 100- 500 words.

Title:

Name of member(s) of the House making the proposal: [Type here]

Description of the proposal (in 100-500 words). If you are proposing a post-legislative scrutiny committee, please explain the aspects of the Act that you think particularly warrant scrutiny:

What would the inquiry be trying to achieve?

How does the proposal make best use of the knowledge and experience of Members of the House?

How does the proposal address areas of policy that cross departmental boundaries?

Is the proposed special inquiry committee capable of being completed in one year or less? (For reference, most special inquiry committees hold approximately 20 x 1-hour evidence sessions throughout the inquiry, but proposals for shorter inquiries are also welcome.)

Do you have any additional comments in relation to your proposal which you wish to draw to the attention of the Liaison Committee?

If you have any relevant interests that relate to your proposal please can you list them below.

Please send this form, if possible by email, to the Clerk to the Liaison Committee hlliaisoncmttee@parliament.uk, to arrive no later than 28 October 2020.