

Future possible: the business vision for giving young people the chance they deserve

CBI position paper

“The world won’t stand still. So to ensure no young person is left behind, we propose a way to give young people a chance; a way to address the specific areas that can make the right kind of difference to their lives.”

Over the next few weeks, young people across the country will be waiting to receive exam results for all sorts of qualifications while their parents watch on. These results will be gateways to opportunities for many, to future hopes and dreams.

Yet we know that the world young people face as they make their way towards adult life presents them with more complex challenges than those faced by previous generations. As many commentators have identified, the ladders into good careers that existed in the days of the “job for life” are less clear today than they were when technology cycles were longer and skills requirements lower.

When you add to this the fact that young people and younger workers tend to be disproportionately affected by economic downturns, there is a clear case for action.¹

The effect of these trends can be seen in Exhibit 1 overleaf, while there has been a substantial cyclical growth in youth unemployment during and after the recession, and some more recent recovery, the trend was already a rising well before the recession struck. Even in the good years, young people were beginning to struggle.

And now the economy is growing again there are still enough unemployed young people to fill Wembley stadium eight and a half times over, and a quarter of these young people have been out of work and looking for work for over a year.² And, even for those in work the situation can be difficult with young people almost twice as likely to be made redundant as those aged 25 to 49.³

That young people are struggling says much about the complexity of the challenge. Rapid globalisation and continued technological change have, for example, meant that skills demands have risen across most sectors. This has increased the demands placed on young people forcing them to compete with older, more highly qualified and experienced workers. At the same time the “job for life” previous generations went into just doesn’t exist anymore while the number of potential career options available has expanded considerably.

It is time for government, business and parents to help young people overcome these challenges. The world won’t stand still. So to ensure no young person is left behind, we propose a way to give young people a chance; a way to address the specific areas that can make the right kind of difference to their lives.

Exhibit 1: Youth unemployment was rising even before the recession and remains high today



Source: Labour force survey, August 2014

Addressing this issue will have long-term benefits: a spell out of work for a young person has long-lasting effects on the risk of unemployment in the future and earnings potential.⁴

But young people are also the UK’s growth pipeline. To compete on a global stage business needs successful, skilled and motivated young people who can help satisfy an ever increasing need for higher skilled workers, fill skill shortage gaps and replace those who are retiring. On top of this, helping young people into successful careers creates a virtuous circle by increasing demand for the products and services business have to offer.

If the case for action is clear, what’s the solution? This report outlines a set of practical policies that government and business must pick up urgently:

- We need a structured programme of **preparation** for work
- We need clear academic and vocational routes, which are equally **valued**, that young people can follow with confidence
- Businesses need to step up to delivering the **support** young people need to find their way – but government can help us offer more opportunities to young people
- And finally young people need somewhere to turn – we need a coherent **network** to support employability.

With less than a year to go until the General Election all the political parties are preparing their manifestos. But with 767,000 young people unemployed, this is one challenge that must not be forgotten as they put together their election promises.⁵ The ideas contained here might be a start on the road to a better future for these young people as well as those at risk of unemployment in the future. And, while this report refers to England, the principles could equally be applied elsewhere in the UK.

We need a structured programme of preparation for work

Education is about helping young people understand the world around them and develop the capabilities and approaches that will help them make their way in it. With the pace of change in technology, globalisation and consumer markets so high, young people need more than just a strong academic grounding to make their way – especially for those who cannot rely on family networks to provide mentoring, advice and opportunities. In this section, we look at what we can do in the schools system.

Our education system needs to deliver rigorous, rounded and grounded young people...

Educational achievement matters to life outcomes. In most sectors, skills expectations have risen. For instance, while the share of jobs that require lower level skills has remained broadly stable in recent times, traditional “middle” jobs, like skilled trades and secretarial roles, have been replaced by higher skilled positions. And this is a trend that’s only going in one direction – in 1992 one third of UK jobs required

highly skilled workers, a proportion which is forecast to increase to almost half by 2022.⁶ These are jobs that young people need our help to reach – and it is why rigour in our education system matters.

But there is more to it than that. Work-readiness is not just what you know – it is also how you are. Businesses already say that when they recruit school and college leavers attitudes to work, character and aptitudes for work are the most important things they look for (85% and 63% respectively).⁷ A rounded and grounded approach to working life and all it entails is vital.

Young people themselves also identify the need for more in this area. As one young person put it: *“once we leave school we’ll need to be more independent so should learn things that help us later on”*.⁸ The true challenge lies in the way our education system operates. At the moment we have a system almost exclusively focussed on exam results – and a floor standard which allows up to 40% of a school’s pupils to fail. This has resulted in too many young people leaving education with few or no qualifications and a curriculum, examination and inspection framework with no space for the development of the wider attitudes and attributes that young people need to succeed in work and life.

The government has made positive moves to address this through the introduction of a new set of performance measures in 2015/16. These will encourage schools to focus on the development of all young people, not just those on the C/D grade

boundary. The use of a “destination measure”, which reveals where young people end up after they leave school, should also incentivise schools to foster young people who are well prepared to take their next steps. But without corresponding reform of the accountability framework, schools will continue to focus too heavily on academic performance alone.

For this reason the next government should require schools and colleges to work towards a broader set of outcomes – which prioritise academic progress and the development of “character”. These outcomes, which should be driven by reform of the Ofsted framework, would still incentivise schools to focus on rigour in academic achievement but would also encourage them to think more about developing rounded and grounded young people. In the future, any school judged as “outstanding” must be delivering all aspects of a quality education for all young people – not just some of them.

...with some work experience under their belt...

Changing what schools aim for and how they’re incentivised to meet these aspirations is one way to ensure young people develop the characteristics and behaviours they need to succeed in work and life. But with half of businesses reporting a lack of work experience as an area of weakness, young people’s employment prospects are clearly about more than just learning in the classroom.⁹ And with over a third of businesses telling us they’re not satisfied with school and college leavers’ technical (34%) and team working skills (36%), for example, the size of the challenge should not be underestimated.¹⁰

A TASTE OF WORKING LIFE AT LONDON CITY AIRPORT

Helping young people understand more about working life in a busy airport is important to London City Airport. Not only is it the right thing to do, young people are also a big part of their talent pipeline.

Twice a year London City Airport opens its doors to local 16 to 18 year olds giving them the chance to build the relevant skills and behaviours. Since 2009, 183 students, 85% of whom were from the local borough, have had the chance to pick the department they’d like to spend a week in with choices ranging from finance to customer service to airfield operations or the Jet Centre.

For some roles young people have to apply by filling in an application form and attending an interview. This helps London City Airport recruit young people who are really keen and interested and also gives young people important experience of the recruitment process before they have to do it for real.¹¹

This is why giving young people progressive tastes of working life through work experience is so valuable. But schools no longer have a duty to provide work-related learning at Key Stage 4. To fix this it should again be compulsory for schools to provide work-related learning at Key Stage 4. And to make it easier for business to help schools deliver these work experiences opportunities, the next government should promote a more flexible definition of it – to avoid all the schools in an area trying to send an entire year group out for the same two weeks in June. Under this definition, shadowing opportunities, sets of half day site visits, virtual workplace tours and webinars with business could mount up to compliance with the duty, for example.

All this would also help broaden the exposure young people get to different types of business. In return, businesses must step up to ensuring work experience is relevant for young people and not something that adds little to a young person's understanding of adult life.

...who have a good idea about the career path they'd like to follow

Having the skills, knowledge, behaviours and attitudes is only part of the puzzle. Young people also need a good idea of where they want to go and how to get there. In the past, choosing a career path was much simpler; the range of jobs on offer was more limited and most people went into a "job for life". For today's young people gaining a sense of direction is more challenging – there are so many career options and the information age means there's an overwhelming amount of advice and opinion available.

This is where high quality careers advice comes in, but, as most people would agree, current provision in England isn't up to scratch. Despite the government's attempts to remedy this through statutory guidance

issued to schools this year following a less than positive review from Ofsted, it is fair to conclude that – to date – the transfer of responsibility for careers guidance to schools has been a failure.¹² While young people say that "schools need to let us know more about the future, jobs, and to help us know more about careers, relating work and learning", researchers found that the career ambitions of around half of 15 to 18 year olds were clustered in just three out of 25 occupational groupings.¹³

We need substantive change in how we handle careers over and above issuing new guidance to schools – but that can't be a return to the days of impersonal advice delivered with limited interaction with real businesses. Instead, advice needs to be closely interwoven with work experience, visits and other discovery activity designed to support a young person on their journey to having a plan. Involving business is essential to this as it ensures careers guidance is relevant and specific. Evidence suggests, for instance, that young people who remember taking part in at least four employer engagement activities at secondary school are less likely to be not in education, employment or training once they leave.¹⁴ Encouragingly government and business agrees on this – the new statutory guidance recommends that schools should engage with local employers and 80% of businesses surveyed by the CBI have links with at least one school or college already.¹⁵

There are some great examples of this working well. For example the government's Employer Ownership of Skills Pilot is enabling the Energy and Efficiency Industrial Partnership to deliver, amongst other things, careers advice to grow the pool of young talent in the utility sector.¹⁶ And elsewhere, ManpowerGroup UK's Tomorrow's Talent Series of one-day workshops supports young people to prepare for the world of work. They enjoy the

ADOPT A LOCAL SCHOOL

As a part of Asda's commitment to the communities it operates in and wider programme of activity aimed at getting young people into work, each store will adopt a local school or college. Through a series of work experience placements Asda intends to open the eyes of young people, parents, guardians and careers advisors, to the range of careers available in retail from fashion to IT and finance, to HR or shop floor management.¹⁷

opportunity to develop their networking skills and understanding of different workplaces through one to one access to public and private sector employers. They also participate in assessment centre activities, prepare for simulated interviews, sit on the interview panel themselves and enjoy quality pre and post interview coaching.¹⁸ Sadly, however, great programmes like these aren't yet the universal experience of young people. In fact, the average student gets a much rawer deal on careers.

This is not inevitable. As the CBI and other commentators, like Lord Adonis in his recent report *Mending the fractured economy*, have identified: we need an approach to careers that ensures the system delivers meaningful, inspirational and helpful advice and experiences, without toppling over into an old-fashioned approach with limited real business involvement.¹⁹

As we called for in *Building on progress*, the CBI wants the starting point for this to be a Local Broker.²⁰ They would provide a single point of contact for business and facilitate greater links between schools, colleges and industry. This idea is one already being considered by government, with Lord Young's recent proposals for Enterprise Advisers covering similar ground. However, to ensure young people get the careers advice they need, the CBI believes that the primary role of Local Brokers must also be to support the delivery of high quality careers provision – to as many students as possible – through regular and inspirational contacts with the world of work (see Exhibit 2).

To ensure all young people benefit, this network of Local Brokers will need to be nationally mandated, and funded by the next government. The number of Local Brokers needed should reflect the number of young people in an area, the size of the local business community as well as the strength of current business-school links to ensure the government doesn't fund activity that is already happening.

Exhibit 2: Comparing Local Brokers and Enterprise Advisers

Yet while Local Brokers must be nationally mandated, they need to be locally run. We are not prescriptive about this local form or structure – what matters most is that they exist and help young people start crafting their career path. For example, we are open minded about a role for Local Enterprise Partnerships in some local areas as Lord Young has proposed. Similarly, while in some areas Local Brokers may be located in schools, in other places they may be based in the local area, coming into schools to provide support.

However, to make sure every young person has the opportunity to interact with business, the CBI believes that Local Brokers should be shared between groups of schools. This will ensure that schools without business links have the opportunity to build these connections. And, to reward schools for actively working with their Local Broker, engagement with the business community should be one of the broader outcomes Ofsted uses to assess school performance as the current Ofsted framework does not place enough emphasis on this.²¹

For this network to succeed business must also play its part so the CBI is calling for every business to attend to the single greatest long-term influence on UK growth – education – by ensuring they are engaging with schools. Many businesses like Asda, Diageo and Wates are already stepping up to this challenge but to strengthen these links further businesses should work with their Local Broker, prioritising in particular support for schools with students from disadvantaged backgrounds. And, to avoid reinventing the wheel, Local Brokers should signpost to initiatives which support business-school engagement like Business in the Community's Business Class programme or Speakers for Schools.²² By bringing more businesses and schools together in this way we can get better at setting young people up properly for the world of work.

	Local Brokers	Enterprise Advisers ²³
Function	Build links between schools and the local business community Help young people explore their career options through regular contact with the world of work	Build links between schools and the local business community Advise head teachers about delivering enterprise education in their schools
Mandate	Nationally mandated	Volunteer network
Delivery	Locally determined	Local Enterprise Partnerships

WHAT WE NEED TO DO

Business will judge the next government on their commitment to...

- Reforming Ofsted so that schools prioritise both academic progress and the development of character
- Reinstating the duty for schools to provide work-related learning at Key Stage 4 for the 2015/16 academic year
- Ensuring a national guarantee of quality careers guidance and work experience is in place, run locally and supported by Local Brokers – with the aim of helping young people build networks with employers for work experience, internships and apprenticeships.

...and to support the next government business should:

- Increase the number of businesses with links to local educational establishments. This means engaging with programmes to ensure staff can actively support the delivery of inspirational work experience and careers guidance and offering talks in schools.

We need clear academic and vocational routes, which are equally valued, that young people can follow with confidence

If we are doing more, earlier, in education to support young people to develop a clear sense of where they want to go, then the next step must be to ensure we give them the individualised route they need to get there. For some, this will be primarily a traditional academic route, for others a high-value vocational or mixed route makes more sense. Both can lead to high-skill, high-income work – and both need our attention.²⁴

We need a system which sets every young person off on a clear, valued route to success...

Although academic and vocational routes have always existed, in recent times a focus on A-levels followed by university as the “best” route to a “good” career has damaged perceptions of vocational routes, narrowing young people’s options. For example, while 62% of young people surveyed had received careers guidance on traditional routes like A-levels and university only 26% had information on apprenticeships and only 17% had received advice on vocational qualifications.²⁵ This is scandalous – at a recent college visit to 60 apprentices working for a

major civil engineering firm, our staff discovered only three had received any active encouragement at school to go for the route they were on, which will lead to a fantastic career.

There has been some positive progress recently. Apprenticeships, for instance, have become more widely available and have increased in popularity. One of Starbucks’s apprentices, for example, said that *“It is an experience that I feel is shaping my future and helping me to build a strong foundation for my career. I’m really enjoying my apprenticeship and I am learning so much from this experience.”*²⁶

Yet there is still a way to go before the quality of vocational routes matches the quality of academic options. To address this the next government needs to focus on delivering an education system for 14 to 18 year olds which leads to a gold standard qualification for every young person, regardless of whether the route is academic or vocational and regardless of who provides the training – schools, colleges or employers. Each young person should then have an individual learning plan, aligned to their interests and strengths that leads them to that high quality qualification.

On the vocational side, the level of rigour that government is expecting from the new Tech-levels is helpful in establishing that they are of high quality –

but there is too much confusion about their role in the system. With still more complex vocational options alongside the stability of A-levels, the CBI fears that parity of esteem is still too far away. We need to create vocational A-levels: different courses, differently examined but at the same level of rigour and with the same brand, if we are going to make progress and make a difference to young people's future chances today.

...with school funding adjusted to reflect this

Reforming vocational qualifications is not the only fix that's needed to make sure young people set off on the route that's right for them. We also need to make sure young people know these reformed qualifications are on offer. And for that, we need to re-think the way schools are funded.

Currently schools receive funding based on the number of young people they educate. Although this is sensible it also means schools are incentivised to hold onto their young people, rather than supporting them to follow the route that's right for them. This can act as a brake on the number of young people taking up vocational routes like Studio Schools or University Technology Colleges at the age of 14 or apprenticeships at the age of 16. It can also lead to a proliferation of sub-standard, A-level-led sixth forms.

It's not good enough for government to have in place a situation where young people aren't aware of all their options so the next government should look again at the way schools are funded to ensure they're incentivised to support all young people in the delivery of their individual learning plan, whether that involves staying or leaving to go to another institution. As a first practical step towards this the next government should continue with improvements already underway to the Department for Education's "destination measures", as set out in section one, so there is an accurate picture of the different routes young people take after school.

And employer-led apprenticeships as an important part of the vocational offer...

Apprenticeships are an important element of the vocational offer, giving young people a great chance to earn as they learn. And routes into them – at 16, 18 and later need to be fostered. The reforms that are underway – which seek to make apprenticeships more responsive to employer demand, delivering relevant and valuable qualifications to the benefit of both business and young people – have the potential to do this if got right. Business has clearly recognised this and has, for example, supported the development of new apprenticeship standards for England and numerous businesses now offer apprenticeship opportunities. DHL, for example, offers warehouse and storage and traffic office apprenticeships while Marks and Spencer provides garment technology apprenticeships.

Because the current reforms have real potential the next government should work within the framework of the reform programme that was launched by the Richard Review which looked at how to improve the quality of apprenticeships and make them employer-led. These reforms will take time to get right, however, and they should be carefully piloted and tested at each phase, keeping employers' needs at the heart of any changes.

Importantly, the move to an apprenticeship system which is more responsive to business needs will encourage more businesses to get involved, leading to more high quality apprenticeship opportunities for young people. So as these reforms come into effect business should review their talent pipelines and consider whether they could offer apprenticeships or expand their current apprenticeship programme. Industry-led bodies like the 5% Club are also a great way for business to commit to taking on more young people through these routes and seek support from companies further ahead on the journey.²⁸

APPRENTICESHIPS AT MARKS & SPENCER

Marks & Spencer provides a range of different entry routes for young people including a garment technology apprenticeships scheme. Providing young people with a two-year structured programme, this new scheme is helping to build the company's youth talent pipeline in a specialist area of the general merchandise business. Nine apprentices were recruited last year and split their time between working for Marks & Spencer and Fashion Enter, one of the retailer's clothing suppliers based in London.²⁷

...but young people need to be able to access them

For young people getting their exam results this month improving the apprenticeship offer is no use if they aren't aware this could be an option for them. At age 18 the UCAS system helps young people considering higher education research and then apply for different courses. For young people choosing vocational routes however, support is lacking. Not only does this entrench the parity of esteem challenge between academic and vocational options it also means young people are not being directed onto the track that's right for them.

Encouragingly the government is aware of this challenge and announced earlier this year that a UCAS style online one stop shop would be created to help young people make informed choices about vocational options. Since then however, it is unclear what progress has been made and young people remain in the dark about when this system is likely to be available to help them. For this reason the next government must prioritise the development of a UCAS style system for young people considering taking vocational qualifications or an apprenticeship – getting beyond just talking about the value of vocational qualifications to getting a system up and running that can make a difference to the choices young people have available to them.

WHAT WE NEED TO DO

Business will judge the next government on their commitment to...

- Developing a gold standard vocational equivalent to A-levels
- Progressing apprenticeship reforms to make them employer-led – including on funding
- Reforming the way schools are funded to ensure all young people are supported to progress onto the right route for them, regardless of whether this is at the same institution or a different option
- Pressing forward with the development of a UCAS style system for vocational qualifications for young people

...and to support the next government business should:

- Review their talent pipeline and consider expanding apprenticeship programmes
- Sign up to promotional commitments on the value of vocational education, like the 5% Club.

Businesses need to step up and deliver the support young people need to find their way – but government can help us offer more

The challenge we have to face on youth unemployment is a shared one – it cannot be laid solely at the door of educational establishments. Young people are actually at their most vulnerable when they take their first step onto the career ladder. For the first time they're competing with people who already have experience of the workplace, who have had time to build up additional skills and knowledge. As businesses we can – and must – do more to help here, but government can also support us in doing that.

It's time for business to step up...

Business needs to play its part as young people strive to get their foot on the first rung of the career ladder. There are two important ways business can do this – firstly by making sure vacancies are widely advertised and secondly by growing a culture of feedback to help young people understand why they might not be succeeding, so they can address any issues next time around. Lack of feedback is a common complaint amongst those young people struggling to find work.

...by advertising vacancies clearly...

When advertising job opportunities employers typically use a mix of formal and informal methods to attract the right candidate for the job. For example, the latest CBI/Accenture employment trends survey found that 72% of businesses surveyed used formal methods like recruitment agencies followed by firms' own websites (68%) and other job sites (59%).

Informal methods were also popular with 56% of firms recruiting through employee referrals.²⁹ Smaller, younger firms in particular are also more likely to recruit their staff through word of mouth.³⁰

Understanding recruitment practices is important because informal methods can disadvantage young people generally, and those without strong networks in particular. Naturally, young people have had less time to build up a network of contacts and this can limit the number and range of job opportunities they are aware of.³¹ And, with jobs growth expected to be concentrated amongst "high growth" firms, the majority of which are small, this challenge looks set to continue.³²

So, to ensure vacancies are visible to young people, businesses should try as much as possible to advertise opportunities through formal channels as well as informal ones. This will also benefit business, widening the pool of applicants they can make their selection from. But to reach even more young people employers should go further, advertising job opportunities using social media platforms like Twitter and Facebook, which are increasingly a big part of many aspects of young people's lives.

...and providing constructive feedback to unsuccessful candidates

Research has shown that rather than lacking skills young people sometimes don't know how to market themselves or their skills, and sometimes simply just don't understand business language.³⁴ This means business needs to do more to help young people understand why they are not succeeding by providing constructive feedback, so they can address these issues next time around.

INSPIRING AND RECRUITING APPRENTICES THROUGH FACEBOOK

QinetiQ is making the most of social media as a way to inspire and recruit apprentices and graduates. Competitions like 'Throne for Games' (linking to the popular TV programme) challenged young people to design the perfect gaming throne – engaging young people in a fun way whilst also reflecting the important role gaming technology plays in its training business. The person with the most Facebook 'likes' received £300 in vouchers or alternatively could have their throne built by QinetiQ. Similarly, QinetiQ has used Facebook to encourage applications, asking current graduates to bring to life their experiences in their own words to connect with other young people and inspire them to apply.³³

Clearly it isn't feasible for some businesses, particularly smaller ones, to provide personalised feedback to every candidate, especially when there are many applicants for each position. Instead, to build a culture of feedback, and as REC recommends through its Good Recruitment Charter, business should provide personalised feedback to candidates attending interviews or assessment centres.³⁵ For those who don't reach this stage business should compile a list of typical reasons why successful applications progressed and a list of "top tips" for young people to consider when making their next application as well as links to helpful websites like Barclays LifeSkills or the CV writing section of the National Careers Service website.³⁶ Finally, to acknowledge the time and effort young people put into applying for jobs every business should commit to always acknowledging the receipt of a job application.

Government needs to do their bit by not pricing young people out of work

Young people with low or no experience and those with low skills will not have particularly high productivity – so the business case for employing them can be weak, at least in the short term. That is one of the reasons why young people can struggle to find work, and why they are particularly badly affected by recessions.

This is why National Minimum Wage (NMW) rates, graduated by age, are so important. Lower NMW rates for young people help them stay competitive,

offsetting the additional costs employers incur when taking on a young person – through the provision of extra support or training, for example. Anecdotal evidence from CBI members also suggests that more firms chose to use the age-related lower levels of the NMW during the recession than before it, reacting to lower ability to pay by still giving a chance to someone, albeit on the lower rate.

Issues around pay will always be politically contentious. That's why the Low Pay Commission (LPC) is best placed to recommend appropriate NMW rates. The LPC makes independent judgements about NMW rates to provide protection to the lowest paid young people but, critically, does this while minimising any negative effects on their employment prospects. Their recommendations are also evidence-based, taking into account a range of relevant factors including levels of youth unemployment and productivity. Recent proposals set out below risk changing this, reducing the ability of the LPC to make evidence-based judgements which protect the lowest paid without damaging their employment prospects. Because of this, the CBI is calling on the next government to retain the LPC and the way the NMW is set in their current forms. This will ensure that we support young people by not pricing them out of a job before they've even started in the world of work.

THE ROLE AND REMIT OF THE LOW PAY COMMISSION

Recently the Labour party has said that, should they win the next General Election, in order to tackle low pay they will target the NMW to a certain proportion of median earnings. There would be some flexibility around this target to take into account the state of the economy and external shocks. The specific value of a target will be announced by Labour closer to the next election.

Of course tackling low pay is an important issue, but altering the role and remit of the LPC and the NMW is not the right response. In short, even with some flexibility the changes the Labour party has suggested would risk politicising the LPC, reducing its ability to make evidence-based judgements which account for a range of economic factors without pricing young people out of the labour market at the time when they are most vulnerable.

WHAT WE NEED TO DO

Business will judge the next Government on their commitment to...

- Retaining the LPC as the independent arbiter of the NMW
- Retaining the age related structure of NMW rates.

To better support young people business should...

- Work to ensure all vacancies are advertised through formal as well as informal channels, including social media
- Work to routinely provide constructive feedback to young people invited to interview or an assessment centre and, for those who don't reach this stage, provide a general list of "top tips" to help them be more successful next time
- Acknowledge receipt of all job applications as standard.

When things go wrong young people need somewhere to turn – we need a employability

The biggest single issue leading to long-term disadvantage is experiencing unemployment early on in working life. For young people who face this challenge for a year or two at 17 or 18 – maybe some of those disappointed with their results this month – it's much harder to get back on track later on compared to those who get straight into work and stay there. The answer to this can't just be institutional – it's about people looking out for those at risk. That's why we think it is time to look at introducing Back to Work Coordinators, who will ensure young people always know that there is somewhere to turn.

The current provision of back-to-work support lacks coherence...

While there are many initiatives designed to support young people into work the current offer lacks coherence, meaning too many young people fall through the cracks. For example, it was recently announced that support from Job Centre Plus will be extended to 16 and 17 year olds, with the first pilot in Lewisham. While on the face of it this is sensible, this responsibility should at least be shared with educational institutions given that young people are now required to remain in education or training until the age of 18.

The recently scrapped wage incentive element of the Youth Contract offers another example of where greater alignment of services would have been beneficial. The incentive offered financial support to employers taking on a young person through Job Centre Plus or the Work Programme, but did not align sufficiently with skills services to ensure young people were work ready – hence the poor take up.

More widely, CBI research in 2012 identified 47 different schemes and services which help business take on or train a young person. Similarly, the Local Government Association estimates that, nationally, the support on offer to young people includes 2,800 registered 16-19 providers funded by the Education Funding Agency, 2,900 providers funded by the Skills Funding Agency and 1,200 providers in Work Programme supply chains.³⁷

This feedback suggests that there are a multitude of organisations in some form of position to help young people and that cohesion between them needs to be improved.

...a new system of Back to Work Coordinators would stop young people falling through the cracks

The issue, however, is that to date the focus on how to handle this issue has been primarily institutional –

THE TROUBLED FAMILIES PROGRAMME

This programme was set up to work with some of the most troubled and challenging families to tackle anti-social behaviour, youth crime and intergenerational disadvantage and worklessness and takes an intensive multi-agency approach to supporting families, all coordinated by a key worker.

The initiative builds on evidence of what works, which includes a key worker dedicated to families, considering the family as a whole and joining up services around a common purpose and agreed action. To date the initiative has met with broad success with a least half of families reporting successful outcomes in areas such as poor parenting, crime or truancy at school.⁴⁰

either bodies working together to align their existing offer or new offers made from other institutions. Instead, the focus needs to be personal with experts pointing to the importance of early intervention and of people having somewhere to turn to that they trust – this should be our approach for young people: personal, local and supportive.³⁸

Joining up services and adopting a more personalised approach has been one of government's ambitions. For example, in 2012 four areas trialled a Community Budget approach which involved redesigning services around the needs of the community and promoted integrated working.³⁹ And the Troubled Families programme, described above, employed a key worker approach to provide individually tailored support. However, whilst helpful, initiatives like these have been limited to pilots in certain areas or concentrated on specific groups, like troubled families.

To help young unemployed people get back on track the CBI is calling for the next government to introduce a network of local 'Back to Work Coordinators'. Their role would be to provide the personalised, joined up support young people who are out of work deserve by aligning a range of services, such as skills, training, health, social care and the local Job Centre Plus office, around a common purpose. And, where a period of work experience would help a young person find a job, Back to Work Coordinators would be able to draw on the support of the Local Broker.

Where Back to Work Coordinators are physically based should be locally determined. In some areas the local Job Centre will be the most appropriate location but in others the local college or community centre may be preferable. Similarly, the number of Back to Work Coordinators needed would depend on the level of need locally and the degree to which

Getting ready for work: Local Brokers

Providing a framework for school-business engagement on careers and work experience, Local Brokers would:

- Build links between schools and the business community
- Support the delivery of high quality careers provision which young people so desperately need through regular and inspirational contacts with the world of work, including work experience.

Getting back to work: Back to Work Coordinators

Providing the personalised joined up support unemployed young people deserve, Back to Work Coordinators would:

- Bring together a range of services such as skills, training, health, social care and the local Job Centre Plus office to deliver the back to work support young people need
- Provide a single point of contact for young people so they can access the relevant services, rather than get lost in the current complex web of support.

current support services are integrated. Importantly though, with local authorities and Job Centre Plus directing young people towards this support, Back to Work Coordinators would provide a single point of contact for young people, bypassing the current confusing web of support available, reducing overlap and inconsistency. Back to Work Coordinators would also be well placed to monitor the progress of young people, to ensure no one is left behind.

This type of approach will require strong local cooperation between all the services a young person may need to access. And, although this will always be challenging, one way to encourage greater alignment would be to fund a network of Back to Work Coordinators by pooling a share of each of the relevant service's budgets. This type of approach

would incentivise joint working in two key ways. Firstly, Back to Work Coordinators would reduce duplication and overlap, saving individual services money in the short term and secondly, by ensuring young people access all the support they need their longer term outcomes would improve, saving local services money in the longer term.

Of course, while this solution will provide young people with better coordinated back to work services, the complex web of initiatives will still exist. This is why the CBI is also calling for the next government to strip back and simplify the back to work support available to young people so that it is simple and easy to navigate.

WHAT WE NEED TO DO

Business will judge the next Government on their commitment to...

- The creation of local Back to Work Coordinators who will work to ensure that young people always know where to turn
- Simplifying the complex web of back to work support that currently exists to better support young people.

Footnotes

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For further information or a copy in large text format, please contact:

Rachel Smith, senior labour market policy economist, CBI

T: 020 7395 8233

E: rachel.smith@cbi.org.uk

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