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Archwilydd Cyffredinol Cymru  
Auditor General for Wales

# Young people not in education, employment or training



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SWYDDFA ARCHWILIO CYMRU





I have prepared and published this report in accordance  
with the Government of Wales Act 2006.

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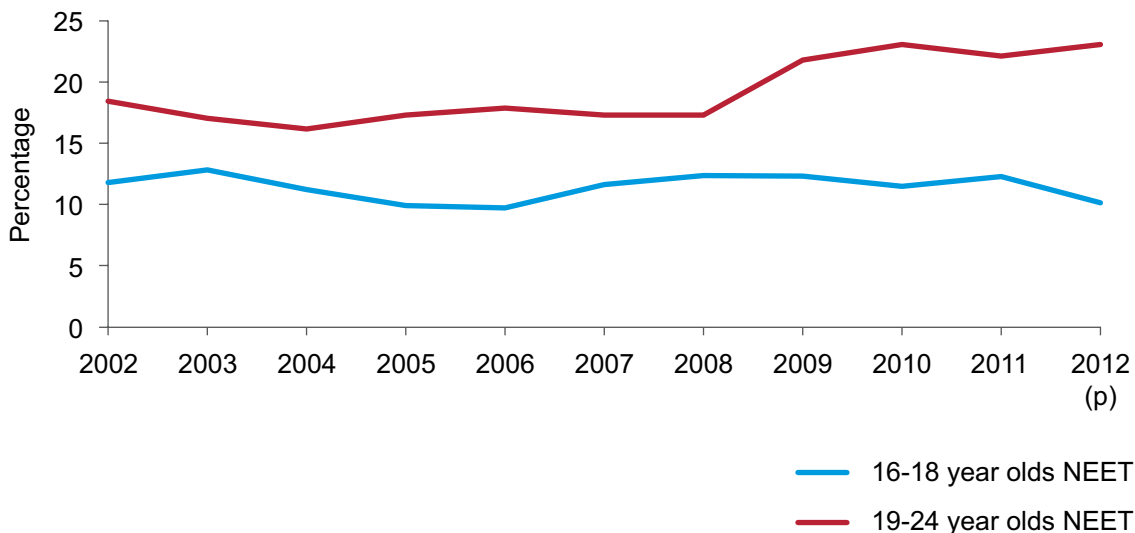
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# Summary

- 1 Enabling young people to find productive pathways to the world of work is fundamental to achieving a prosperous and sustainable Wales. Young people not engaged in productive activity are at greater risk of sustained periods of unemployment, lower wages or suffering poorer health and are more likely to engage in criminal behaviour than other young people. A sustained period not in education, employment or training (NEET) does not just affect individuals but also leads to considerable costs to the public purse.
- 2 For many years, the proportion of young people aged 16-18 in Wales NEET has hovered between 12 and 13 per cent although it fell to 10.2 per cent of the age-group at the end of 2012 (provisional figure). This represents 11,600 young people and is the lowest figure since 2006 and the second lowest since 1996. Conversely, the number of

19-24 year olds who are NEET reduced between 1996 and 2006 but has steadily risen since 2008<sup>1</sup>. At the end of 2012, 23 per cent (59,900) of 19-24 year olds were NEET (Figure 1). Among 16-18 year olds, young men were more likely to be NEET than women: 12 per cent of men 16-18 years old were NEET compared to eight per cent of women. Among 19-24 year olds the pattern was reversed: 25 per cent of young women were NEET at the end of 2012 compared to 22 per cent of men. This older group contains a significant proportion of young people with caring or family responsibilities or who are unable to work because of a long-term health problem or disability. The characteristics of young people at higher risk of being NEET are discussed in Appendix 2 together with details of the various data sources that inform our understanding of this group of young people.

Figure 1 – The numbers of 16-18 year olds who are NEET in Wales has remained fairly stable over the past 15 years while the numbers of 19-24 year olds who are NEET has risen sharply since 2008



'p' – Figures for 2012 are provisional

Source: Welsh Government statistics, 2013

<sup>1</sup> The term NEET was first used by the UK Government in the mid-1990s to refer to 16-18 year olds. At that time 19-24 year olds were classed as unemployed. The term is now used more widely to include 16-24 year olds (Appendix 2).

- 3 Survey data suggests that reduction in the numbers of 16-18 year olds in 2012 who are NEET masks a more complicated story: the number of young people NEET at 16 has fallen but the numbers NEET at age 18 and above generally risen. Welsh Government statistics show that the proportion of 16 year olds who are NEET fell from 6.6 per cent over the period 2009-2011 to an average of 4.7 per cent in the period 2011-13 whereas the proportion of 18 year olds NEET rose from 18.4 per cent to 21.0 per cent over the same period<sup>2</sup>. There are significant variations in the proportion of 16-18 year olds who are NEET across areas of Wales (Table 4, Appendix 2).
- 4 Over time, there have been changes in the destinations of young people so that 16 year olds are more likely to stay in education: 86 per cent of 16 year olds continued in full-time education in 2013 compared to 74 per cent in 2004. The proportion entering employment has fallen and in 2013 only 1.4 per cent of year 11 leavers entered in employment at age 16 compared to nearly seven per cent in 2004. The proportion entering work-based learning has remained fairly steady over the period at around seven per cent of year 11 leavers (Table 6, Appendix 2).
- 5 There is a lot of research evidence about the characteristics of young people at high risk of becoming disengaged. The Welsh Government's *Young people engagement and employment review and action plan (2011)* highlighted the higher risks faced by: care leavers; those with poor education attainment; those with a history of school exclusion or poor attendance; those who have come into contact with the youth justice or addiction services; young people with disabilities; those with mental health issues; and teenage mothers. Other factors such as claiming free-school meals and having parents who do not support their education are also associated with a higher likelihood of being NEET subsequently. This points to the complexity of barriers that some young people face to engaging in education and the range of interventions that may be required to enable them to participate in the future.
- 6 Other research<sup>3</sup> suggests that there are up to three groups within the NEET population in terms of the degree of their disengagement from education, employment or training. It is estimated that about 40 per cent of the NEET population are 'sustained' or 'core NEET' who are out of education, employment or training for a prolonged period and usually face multiple barriers to re-engaging. The other large group in the NEET population are those who classed as 'cyclical', 'in transition' or 'open to learning' who make up around 40 per cent of the group. These young people are positive about education and training and are likely to re-engage in the short-term. Research estimates that the final 20 per cent of young people who are NEET are 'floating', 'at risk' or 'undecided' with no particular barriers to engagement but who are either unhappy or undecided about the options available to them. Again these young people might need advice and some support to re-engage but may not require substantial support.

<sup>2</sup> Welsh Government (2013) *Young people not in education, employment or training (Year to 31 December 2013)* Statistical Bulletin 41/2014 Table 3. Figures are from the Annual Population Survey and are three year averages.

<sup>3</sup> Welsh Government (2013) *Identifying Young People at Risk of becoming 'Not in Employment, Education or Training'*, Social Research 60/2013

- 7 Survey data suggests that the proportion of young people 16-18 and 19-24 who are NEET in Wales is above the UK average. (Table 7, Appendix 4). Further afield, the Organisation for Economic Cooperation and Development (OECD) publishes comparisons of the number of young people who are NEET in different countries for 15-24 year olds<sup>4</sup>. In 2012, Wales was in the bottom half of 29 countries. The proportion of young people who are NEET in the UK is similar to the European Union (EU) average (22.9 per cent compared to an average of 22.6 per cent) but well above average for countries in the G7 (15.9 per cent). Differences in the age at which learners finish compulsory education makes comparing NEET rates with other countries difficult, but countries such as Holland, Slovenia and Denmark have lower levels of young people who are NEET than Wales.
- 8 The Welsh Government has long recognised reducing the number of young people who are NEET as one of its priorities and, in recent years, councils have also identified NEET or youth engagement as a local priority. There have been several strategy documents between 2002 and 2011. More recently, in October 2013, the Welsh Government published a *Youth Engagement and Progression Framework and Implementation Plan* (the Framework). This Framework set out a new approach based on implementation of six key elements and two new offers for young people.
- 9 The Welsh Government has set three targets that are associated with reducing the number of young people who are NEET:
- a reduce the percentage of young people 16-18 who are NEET to nine per cent by 2017;
  - b achieve a reduction in level of young people 19-24 who are NEET compared to the overall UK level by 2017; and
  - c increase the proportion of care leavers in education, employment or training at age 19 to 54 per cent by 2017.
- 10 A team from the Wales Audit Office reviewed the new Framework and implementation plan and examined progress in 10 councils across Wales prior to the implementation of the Framework on behalf of the Auditor General. The team considered whether the Welsh public sector is well placed to enable better outcomes for young people who are, or are at risk of becoming, NEET. The Auditor General concluded that **the Welsh Government is well placed to help to reduce the numbers of 16-18 year olds who are NEET but is less well placed to reduce the number of 19-24 year olds who are NEET and determine value for money.**
- 11 The Auditor General also concluded that **councils are clearly committed to further reducing the proportion of young people NEET, especially those aged 16-18, but their planning is variable and councils have made less progress in understanding the costs of services and evaluating the effectiveness of their interventions.**

<sup>4</sup> Data collected by the OECD on 15-24 year olds. Differences in the definition of 'NEET' make national comparisons difficult. The UK Government initially used the term NEET for 16-18 year olds but it is now commonly used for 16-24 year olds. In some countries, especially where young people commonly finish higher education after 24, the NEET group can include people up to 29 [www.oecd.org/els/emp/50305438.xlsx](http://www.oecd.org/els/emp/50305438.xlsx)



**The Welsh Government's approach is based on sound evidence and engagement with councils and other major partners but lacks a thorough understanding of the resources required to meet its objectives**

- 12 The Welsh Government has long identified reducing the numbers of young people who are NEET as a priority. It has now built on its previous work to create a Framework that focuses on support for young people aged 16-18 years. Elements of the Framework reflect research evidence from successful approaches to reducing the numbers of young people who are NEET in Wales and elsewhere, including a review of approaches to reducing the number of young people who are NEET in Swansea and Wrexham in 2011. However, there is less evidence that the Framework has been informed by an evaluation of the effectiveness of individual interventions.
- 13 The Welsh Government had a significant level of engagement with councils and other stakeholders including Careers Wales to develop the Framework. However, there has been less consultation with young people themselves, particularly those likely to be furthest from education, employment and training. Similarly, although a number of councils are using innovative techniques to engage with young people, most are not systematically incorporating young people's views and experiences into service planning and delivery.
- 14 We estimate that the combined value of Welsh Government and European spending associated with reducing the number of young people who are NEET was in the region of £200 million in 2012-13. The Welsh Government did not assess the cost of implementing the Framework at the outset. Rather officials have told us that, as the Framework represents best practice, the

Welsh Government's objectives can be achieved by re-focusing existing expenditure on young people who are NEET or at risk of being so. The Welsh Government is taking steps to better co-ordinate its management of resources and expenditure through its own cross-departmental Youth Engagement and Progression Framework Programme Board and other work it is undertaking to realign future European funding to fit better with its priorities for 16-18 year olds. However, services and funding arrangements aimed at reducing the number of young people NEET are complex. The Welsh Government and its partners need review, not just the mapping of needs and services, but also the national and local resources used and their effectiveness to enable it to achieve the best value for money and to adjust the funding arrangements if required.

**If implemented successfully, the Welsh Government's Framework and Implementation Plan are likely to improve planning, co-ordination and provision of services to reduce the number of 16-18 year olds who are NEET, but significant risks remain**

- 15 The Framework offers the Welsh Government and its partners an opportunity to improve the coordination of services for young people at risk of being NEET and reduce duplication. In the Framework, the Welsh Government seeks to improve the local co-ordination of services by clearly setting out responsibilities for coordinating NEET provision and establishing the new role of 'engagement and progression coordinator' for each council area. The Welsh Government has also taken steps to focus the work of key partners to support the delivery of the Framework including the restructuring of careers services and the development of a new youth work strategy for Wales 2014-2018.

- 16 We found that councils generally welcomed the introduction of the Welsh Government's Engagement and Progression Framework, although some expressed concerns about their capacity to implement the Framework given the financial challenges facing them. The Welsh Government will need to monitor this during its biannual discussions with senior council officials. All 22 councils had produced plans for implementing the Framework by March 2014.
- 17 However, we have some concerns about elements of the Framework:
- a The Framework does not differentiate sufficiently between those young people who are sustained NEET and those who are NEET for a shorter time. This lack of differentiation means that councils could meet the Welsh Government's targets for reducing the number of young people who are NEET by focusing services on those least requiring support to re-engage with education, training or employment. This could represent poor value for money as most of the 'open to learning' and 'undecided NEET' are likely to re-engage without requiring significant support and these groups are less likely to have the most significant costs to society.
  - b The Framework lacks clear information on how the Welsh Government plans to ensure that young people from certain ethnic groups, care leavers, young offenders and young people with a disability who are at higher risk are supported into education, employment and training.
  - c The Framework focuses on young people up to and including the age of 18. Welsh Government officials told us that they believe the actions in the Framework to increase engagement are likely to reduce the number of 19-24 year olds who are NEET but previous research and inspection work has shown that improved outcomes for 16-18 year olds does not always translate into reduced numbers of 19-24 year olds being NEET.
- 18 The crossover in various responsibilities of between the Welsh Government departments and the UK Government's Department for Work and Pensions is an important constraint on work with young people aged 19-24 and for the relatively small number of 16-18 year olds who are in receipt of benefits. The Welsh Government has taken steps to improve communication with the UK Government in this area and councils mostly reported good local working relationships with the Department for Work and Pensions. In some areas, the Department for Work and Pensions works closely with Career Wales to ensure a smoother transition for young people as they begin to claim benefits at age 18, although work is on-going to make these arrangements more consistent across Wales. Claimant data is vital to enable councils and Career Wales to track young people after the age of 18. The Department for Work and Pensions is currently seeking clarity about the legislative position on sharing claimant data so that local areas can be consistent in their approach to data-sharing.

**The Welsh Government has clear mechanisms to monitor progress and hold councils and most national stakeholders to account but councils and other partners have not adopted its targets despite being committed to reducing the numbers of young people who are NEET**

- 19 The Welsh Government has set out responsibilities for implementing the Framework clearly and introduced a mechanism for holding councils and some other partners to account. However, these plans depend heavily on the Welsh Government's and Career Wales's ability to develop measures of sustained destinations for young people.
- 20 The Welsh Government's approach to holding councils to account will need to reflect changes in the arrangements for delivering education services. During our work with councils, we found that some arrangements for local accountability were unclear; some councils did not have targets and performance measures, and some lacked processes for holding partners to account.
- 21 The Welsh Government has taken steps to make its own departments' accountability for implementing the Framework clearer and to co-ordinate the activities of policy departments through the creation of a Youth Engagement and Progression Framework Programme Board.
- 22 The Welsh Government's Framework and Tackling Poverty Action Plan contain national targets to reduce the number of 16-18 and 19-24 year olds and care leavers who are NEET. The

Programme for Government reports progress in reducing the proportion of young people NEET albeit in a different form. We found that although all the councils made reference to reducing the number of young people who are NEET, the majority have not set measurable targets and, where they have done so, the targets did not reflect those of the Welsh Government.

**The Welsh Government has not developed sufficiently clear plans to deliver its commitments to effective evaluation and shared learning and to assess value for money of the substantial public expenditure in this area**

- 23 Both the Welsh Government and councils have outlined the social benefits flowing from reducing the number of young people who are NEET but need to do more work to measure these benefits.
- 24 The Welsh Government is committed to evaluation and enabling shared learning although there are a number of challenges to evaluating the impact of the Framework. Our work concluded that despite some monitoring and evaluation of individual interventions by the Welsh Government and at a local level, a lack of routine evaluation meant that there is no overall assessment of the effectiveness of work to reduce the number of young people who are NEET. Neither Welsh Government nor councils have made a thorough assessment of the resources required to achieve improved outcomes for young people who are NEET. This knowledge gap limits their ability to plan from a clear understanding of the costs and benefits of the proposed arrangements.

# Recommendations

## To better understand expenditure on the services required to deliver the Framework

- R1 We estimate that the combined value of Welsh Government and European spending associated with reducing the number of young people who are NEET was in the region of £200 million in 2012-13. The Welsh Government did not systematically assess the cost of the provision that would be needed to support implementing the Framework at the outset but believes it can achieve its objectives by re-focusing existing expenditure on young people and employment support and implementing best practice. To better understand the effectiveness and value for money of its expenditure, the Welsh Government should:
- a by October 2015, map and review, with partners, the expenditure on services to deliver the Framework to be able to make judgements about the cost effectiveness of this expenditure; and
  - b review whether adjustments are needed between funding streams to better support the effective delivery of the Framework.

## To achieve its targets to reduce the proportion of 19-24 year olds who are NEET

- R2 The Welsh Government has set a target in its *Tackling Poverty Action Plan 2012–2016* to reduce the proportion of young people 19-24 years old who are NEET compared to the rest of the UK. The Framework focuses on 16-18 year olds and the Welsh Government believes that improving progression at this age will lead to improved outcomes later. However, work elsewhere has found that councils need to continue support for disengaged young people after the age of 18. We found that many councils are beginning to consider how the approach with 16-18 can be adapted for the greater number of 19-24 year olds who are NEET. This includes developing links with the Department for Work and Pensions locally, which plays a more important role with the age group. To achieve its targets to reduce the proportion of 19-24 year olds NEET, the Welsh Government should:
- a clarify its strategic approach to reducing disengagement among 19-24 year olds and how the Framework is intended to achieve its objective of a long term reduction in disengagement;
  - b work with councils beginning to develop their work with young people 19-24 to share emerging learning and good practice and ensure that councils' work and planning aligns with national priorities and targets;
  - c review its expenditure on support for 19-24 year olds including the extent to which funding streams are co-ordinated and aligned with its priorities in order to assess if current funding is likely to achieve the Welsh Governments targets;

- d examine the cost effectiveness of the measures currently in place; and
- e build on its developing links with the UK Government's Department of Work and Pensions in order to co-ordinate its provision with mandatory provision for longer term unemployed young people.

**To achieve long term improvements in outcomes for those currently most likely to be NEET**

R3 Young people who are NEET face a range of different barriers to participating in education, employment or training. Young people who are disabled, chronically ill, have special educational needs, attend poorly at school and attain poorly, as well those from some ethnic minority groups, are more likely to become NEET. Young parents have a high rate of disengagement. However the Welsh Government's targets do not distinguish between those who are sustained or core NEET and those who are only temporarily out of education, employment or training despite these groups needing different policy responses. Focussing on young people who are sustained NEET will also result in the greatest savings to the public purse. There is a risk that the Welsh Government's targets could be achieved without improving outcomes for who represent the greatest challenge. To avoid this risk, the Welsh Government should:

- a have greater clarity about its expectations of councils to focus on young people who are sustained NEET and incur the greatest cost to the public sector to avoid the risk that its targets are achieved without impacting on those furthest from the labour market;

- b discuss with councils their implementation plans with specific reference to the needs of young people at high risk of being NEET, including those young people with protected characteristics under the Single Equality Act and teenage parents; and
- c consider its arrangements for reporting outcomes for young people with protected characteristics and teenage parents as outlined in its 2012 Strategic Equality Plan.

**To ensure that Welsh Government, councils and their partners are working towards shared targets and objectives for reducing the number of young people who are NEET**

R4 Councillors and local government officials generally demonstrate a high level of commitment to reducing the number of young people who are NEET. There is a high level of understanding of the risk factors and the social costs of being NEET. However, we found that councils had not all developed targets for NEET against which their performance could be assessed. Where targets had been established, they did not always align with the Welsh Government's targets. To establish targets and ensure that councils and partners can be held accountable for performance, the Welsh Government should:

- a do more to ensure that local and national measures and targets are more closely aligned by using the biannual meetings and the review of action plans to ensure that local objectives and targets reflect national priorities;
- b encourage councils to develop SMART targets that demonstrate progress towards the goals and enable both the council and its delivery partners to be held to account for their performance; and

- c assess the implications of changes in the delivery of education services following the Hill Review and potential changes in the delivery of public services following the report of the *Commission on Public Service Governance and Delivery on the arrangements to implement its Framework*.

- b develop a methodology for assessing the value for money of projects and programmes which councils and their partners can use in their own evaluations;
- c agree with the Welsh European Funding Office (WEFO) and councils how individual services are evaluated and monitored in a manner that allows comparison between the interventions and enables the Welsh Government to make a judgement about value for money; and
- d incorporate an assessment of the impact of the Framework on sub-groups of young people within the NEET population within monitoring data and any commissioned evaluations.

**To evaluate the impact of the Framework and spread good practice**

R5 There has been a significant amount of research on the causes of young people becoming disengaged from education, employment or training. This has been summarised previously by the Welsh Government and we conclude that the Framework is based on this and evidence of approaches to reducing the number of 16-18 year olds who are NEET in two councils in Wales. However, the evidence is less clear on the effectiveness of particular interventions and, in particular, on the value for money of the large number of projects and programmes working with the young people who are NEET or at risk of becoming so. The Welsh Government has committed to evaluating the impact of the Framework and enabling shared learning, although there are a number of challenges to successfully evaluating its impact and establishing value for money. To provide evidence on the effectiveness of the Framework and its value for money, the Welsh Government should:

- a discuss plans for local evaluations of projects and programmes funded by councils and the third sector in their biannual meetings with the aim of comparable outcomes and outputs so that councils can assess the relative effectiveness of interventions with young people;

## Part 1

The Welsh Government's approach is based on sound evidence and engagement with councils and some major partners but lacks a thorough assessment of the resources required to meet its objectives



## The Welsh Government has built on previous work to create a Framework with six key elements and two new offers for young people aged 16-18 years

- 1.1 The Welsh Government has long identified reducing the numbers of young people who are NEET as a national priority. Similarly reducing the number of young people NEET has also been historically a priority for councils. However, until recently, the proportion of 16-18 year olds NEET has remained static at around 12-13 per cent.
- 1.2 The Welsh Government's commitment to maximise the education, training and employment of young people was included as part of its 'Extending Entitlement' programme in 2000 which set out the expectations for the delivery of Youth Support Services in Wales. The Welsh Government took this work forward in its 2003 education strategy set out in 'Wales: A Learning Country' which included a target to reduce the number of young people who are NEET.
- 1.3 The Welsh Government published its first specific NEET strategy in 2009 in 'Skills that Work for Wales'. The accompanying themed paper 'Reducing the proportion of young people not in education, employment or training in Wales – delivering skills that work for Wales' focused on 16-18 year olds and was based on having the right systems for identifying and re-engaging young people who become NEET. The strategy aimed to provide a full range of learning options and targeted intensive learning and personal support as well as careers advice and guidance to make sure young people know how to access

education, training or employment and to enable them to overcome sometimes significant personal barriers to participation. In May 2010, the Welsh Government published the report of a task and finish group chaired by Michael Mansfield of Wales TUC that contained an analysis of the main barriers faced by young people who are NEET. Following that report, the Welsh Government suggested a large number of actions to support the 2009 Strategy, including work with disadvantaged individuals and families, post-16 interventions and management to reduce the number of young people who are NEET<sup>5</sup>.

- 1.4 The National Assembly for Wales' Learning and Enterprise Committee examined the Welsh Government's strategy for young people who are NEET in 2010 and made 18 recommendations for improving provision<sup>6</sup>. In January 2011, the then Minister for Children, Education and Lifelong Learning gave details of a new 18 point Youth Engagement and Employment Action Plan 2011-2015, partly in response to recognition that the economic climate had changed since the Welsh Government announced its 2009 Strategy. The Action Plan contained a range of initiatives, most of which were due to be completed by May 2013. The Minister's statement also outlined the contributions of preventative programmes including Flying Start, the National Literacy and Numeracy Framework and the Child Poverty Strategy that the Welsh Government believed would lead to greater youth engagement.
- 1.5 In 2012, the Welsh Government created the Youth Engagement and Employment Division within the Department for Education and Skills. This division brought together different policy areas that relate to young people aged 11-25. The division has led the work on the development of a new approach.

<sup>5</sup> Welsh Government, *Young People Engagement and Employment Review and Action Plan*, May 2010.

<sup>6</sup> National Assembly for Wales Enterprise and Learning Committee *Young people not in education, employment or training*, October 2011



1.6 In January 2013, the Deputy Minister for Skills made a statement outlining progress against the Action Plan and announcing the transition to a Framework for Youth Engagement and Progression. In April 2013, the then Minister for Education and Skills confirmed that the Framework would be built on six elements:

- a identifying young people most at risk of disengagement;
- b better brokerage and co-ordination of support for them;
- c stronger tracking and transitions of young people through the system;
- d ensuring provision meets the needs of young people;
- e strengthening employability skills and opportunities for employment; and
- f greater accountability for better outcomes for young people.

1.7 The Framework published on 1 October 2013 is non-statutory guidance that supports Extending Entitlement setting out the Welsh Government's expectations for the successful delivery of targeted youth support services. As such, it builds on actions in the previous plan: for example, the Framework reflects the recommendation in the National Assembly's report that the Welsh Government undertakes work to accurately identify young people at risk of disengaging from education, employment or training (recommendation 6). One of the six strands is to develop an effective approach to early identification, although the Welsh Government guidance on early identification published in January 2014 recognises that the approach will

not be consistent across Wales as some councils have already developed methods to identify those at risk.

1.8 The Framework also contains two new offers for young people under 18:

- a **A lead worker** for the most at-risk young people to help ensure that support is delivered in a co-ordinated way and that the package of support meets their needs. Lead workers are expected to be in place in all councils by September 2014. The Welsh Government believes that a lead worker who provides a single point of contact and who can liaise with other agencies should help to ensure their needs are being met and avoid the duplication, overlaps and confusion that many young people experience. The lead worker will usually be either a Careers Wales' advisor or a youth worker. This 'brokerage' role is an important element of the Framework and represents a development on the National Assembly's Committee's recommendation that an engagement or learning coach should be available at any stage in a young person's life to give support on family, financial, education or health issues (recommendation 18). However, unlike most broker arrangements, the lead worker will not have access to individual budgets associated with the young person but will coordinate support from the services available locally.
- b **A Youth Guarantee** to help ensure that every young person has a suitable post-16 learning place. The Welsh Government intends that young people will be able to take up their offers under the Guarantee in September and October 2015. Some areas have already piloted a similar approach, for

example the ‘Swansea Guarantee’ provides an offer of education, employment or training to all year 11 (aged 16) leavers in Swansea. The Welsh Government’s Youth Guarantee is underpinned by a timeline giving details of support mechanisms available for pupils at different stages during year 10 (aged 15) and 11 (aged 16). It also describes clear roles for schools and Careers Wales. It is seemingly quite similar to the ‘September and January guarantees’ in England that 16 and 17-year-olds can secure a suitable offer of education or training in school, college or work-based training. In England, the guarantees are associated with the rise in age after which young people are no longer compelled to attend education or training<sup>7</sup>. The Welsh Government has taken a different approach to that of the UK Government: young people will be encouraged to remain in education or training post-16 and making a range of options available but participation is not compulsory. The Welsh Government is currently consulting on its guidance to local authorities delivering the Youth Guarantee including on the option of extending it to young people leaving education at 17 (Year 12)<sup>8</sup>.

## The Framework reflects research evidence and an assessment of approaches in two councils in Wales but there is less evidence on the effectiveness of individual interventions

- 1.9 As described above, there have been a significant amount of action over the past decade by the UK Government, Welsh Government, councils and the third sector that have aimed to reduce the number of young people who are NEET. Although, the number of young people who are NEET hovered around 12 per cent for several years, the proportion fell to just over 10 per cent in 2012, possibly as a result of the substantial activity, although no analysis of the causes of this drop has been undertaken to date.
- 1.10 Elements of the Welsh Government’s Framework build on factors identified in previous research as present in successful approaches to reducing the number of young people who are NEET in Wales and elsewhere. For example, a review of approaches in 10 English councils with low rates of young people aged 16-18 NEET by Ofsted in 2010<sup>9</sup> found the most successful areas had well-established measures to identify those at risk. These councils had introduced effective preventative measures such as the careful monitoring of potentially vulnerable individual young people and supporting their transition from primary to secondary school. The review also pointed to the importance of using data well to plan programmes and ensure that resources are targeted at specific groups and neighbourhoods. These elements all feature within the Welsh Government’s Framework. However Ofsted

<sup>7</sup> Following the Education and Skills Act 2008, the age at which young people are no longer required to participate in education or training will rise in England to 17 in 2013 and 18 in 2015. In practice, young people will not be expected to remain in school or traditional academic learning but will be given a suitable offer to continue their education or training which could involve a job or work placement associated with a training element.

<sup>8</sup> Welsh Government (2014) *Delivering the Youth Guarantee in Wales: Draft Guidance* <http://wales.gov.uk/topics/educationandskills/skillsandtraining/youthengagement/delivering-the-youth-guarantee-in-wales/?lang=en>

<sup>9</sup> Ofsted (2010) *Reducing the numbers of young people not in education, employment or training: what works and why*

(2010) also found that, where necessary, local areas continued to support young people beyond the age of 18 through to longer-term adult employment, whereas the Framework focuses only on support to age 18.

- 1.11 In developing the Framework, the Welsh Government also drew heavily on the review it commissioned in 2011<sup>10</sup> of work in Swansea and Wrexham Councils to reduce the number of young people under 18 who are NEET. This research identified elements that were important to successful work and we found that work has been sustained since the research was

undertaken (Box 1). Officials from Swansea and Wrexham were involved in discussions around the development of the Framework.

- 1.12 The 2011 research in Swansea and Wrexham identified common characteristics of successful approaches, rather than a formal evaluation of the effectiveness of the specific approaches. Similarly, Ofsted (2010) also identified factors common to areas with low numbers of young people NEET. However, there is less information on the impact of elements of the approach or individual interventions.

### **Box 1 – Good practice in reducing the number of young people NEET in Swansea and Wrexham Councils was independently reviewed in 2011 and has been subsequently sustained**

In 2011, the Welsh Government commissioned a research project to examine the apparent success of work in Swansea and Wrexham councils in reducing the proportion of young people who are NEET. This identified factors believed to be associated with success and which have subsequently influenced the development of the Framework. We visited Swansea and Wrexham to examine the continuing performance in reducing the proportion of young people who are NEET.

We found that both Swansea and Wrexham Councils have been able to sustain their work targeting young people who are NEET or at risk of becoming so. NEET reduction has remained an important strategic objective driven forward by senior leadership and both councils have structures in place to ensure regular reporting and accountability. Both councils described positive working relationships with key partners including schools, further education colleges, work based learning providers and Careers Wales and are increasingly working with the Department for Work and Pensions locally as they shift their attention towards the 18-24 age group. In Swansea, Council staff and partner organisations reported that the local five tier model for engagement, the Swansea Guarantee and online application process were useful for clarifying roles and responsibilities and sharing information around the needs of young people.

Important features of the approach in Swansea and Wrexham include:

- identifying young people at risk of becoming NEET through a combination of practitioner led and data led vulnerability processes. In Swansea, data is collated by the KIT (Keep in Touch) Project Officer who tracks NEET cohorts rather than age groups to identify trends and individual pathways taken by young people;
- exercises to map the provision of services for young people;
- projects to support young people with additional needs and vulnerabilities; and
- a new and increasing focus on the 18-25 age group; through the STARS project for vulnerable young adults aged 16-25 in Wrexham and development of the five tier model approach to target high priority groups in the 18-24 cohort in Swansea.

Both councils continue to develop new aspects of their services. Swansea is developing an e-portal called 'Inform Swansea', which will act as an online market place for training providers including information and support for jobseekers. Wrexham is working to embed the 'Five Tier Model' and develop the identification of those young people at risk of becoming NEET at Year 7.

Source: Wales Audit Office analysis

<sup>10</sup> Efficiency and Innovation Board, *New Models of Service Delivery – A Study of Approaches to Increase the Proportion of Young People in Education, Employment or Training, with a Focus on Potential and Actual Efficiency Savings. Final Report.* Arad Research July 2011

## The Welsh Government engaged with councils and other stakeholders to develop the Framework and its supporting Implementation Plan but did not draw significantly on the direct views and experiences of young people

1.13 The Welsh Government undertook a substantial programme of consultation with local authorities in the process of developing its Framework. It asked all councils to assess their services and performance against the proposed Framework. The Welsh Government also initiated a series of workshops involving practitioners and officials on aspects of the Framework including brokerage, early identification and accountability. The Welsh Government worked in more depth with eight councils to trial elements of the Framework. However, the whole Framework was not trialled other than in Swansea and Wrexham where the elements had already been in place.

1.14 It is important that the experiences of young people inform the design of any approach intended to support young people who are disengaged or at risk of disengagement. Their views and experiences can help to address the barriers that young people face to engaging with education, employment or training. In 2010, in response to a commitment under the One Wales agreement to examine the causes of disengagement, the Welsh Government commissioned a review of research evidence about triggers to becoming disengaged. This found a wealth of research about the causes of disengagement from the UK and elsewhere (Box 2). However, the authors commented that most of the material drew on information from teachers and youth workers rather than young people themselves<sup>11</sup>.

### Box 2 – A range of triggers are associated with young people being NEET

A review of research evidence undertaken for the Welsh Government in 2010 identified a range of factors associated NEET. These include:

- Educational factors including:
  - low educational attainment;
  - difficult transitions from primary to secondary schools;
  - growing frustration with achievement at secondary school;
  - low levels of literacy and numeracy/ability/levels of attainment;
  - unsatisfactory behaviour;
  - poor school attendance;
  - poor experience of school, for example experiencing bullying; and
  - lack of choice in terms of provision and progression.
- Socio-economic factors, including those from low-income families where there is a tradition of adults not participating in employment, training or further and/or higher education and/or not supporting education.
- Parental behaviour and attitudes including:
  - the home learning environment;
  - the caring environment within the home;
  - lack of parental involvement in child's education;
  - Special Educational Needs (SEN); and
  - health issues including disability and mental health.
- Young people's behaviours and attitudes.
- Family and personal circumstances including:
  - challenging family backgrounds;
  - looked after children;
  - teenage pregnancy and young mothers;
  - having caring responsibilities;
  - young offender; and
  - homelessness.

Source: Welsh Government (2010) *Young people Engagement and Employment Review and Action Plan, Annex 6 and pages 16-17.*

<sup>11</sup> Lloyd-Jones, S., Bowen, R., Holtom, D., Griffin, T., and Sims, J. (2010) *A qualitative research study to explore young people's disengagement from learning*, Welsh Government SR 04/2010

- 1.15 In our work with councils, we found a number of innovative examples where councils had used the internet or social media to engage with young people. We also found many examples of councils engaging with young people about their experiences and about their services. However, we concluded that most councils did not systematically incorporate young people's views and experiences into service planning and delivery.
- 1.16 The Welsh Government has a programme of consultation events called 'the Real Conversation' that aims to bring together young people, employers and practitioners to discuss education, employment or training issues. The events programme is part funded by the European Social Fund. In June 2013, the focus of the event was 'about what we need to do to help and support young people to stay in school, access the right training and other services they need to get the right job for them' and the discussion was planned to inform the developing Framework. Over 100 young people and a further 100 employers, practitioners from training bodies, Welsh Government and other agencies attended. Whilst the evaluation comments from young people were generally positive, our observation was that the event had limited success in engaging with the young people most likely to be NEET. In addition, the style of the events and questions asked were not the most appropriate way of engaging with this group. Some work based learning providers and third sector organisations told us that young people who participated in the event were intimidated by the format.

## The Welsh Government's approach is not based on a thorough understanding of current expenditure in this area although it is taking steps to better co-ordinate Welsh Government and European funding

The Welsh Government's approach is not based on a thorough understanding of current expenditure in this area, which we estimate to be in the region of £200 million in 2013-14

- 1.17 In 2010, the Welsh Government's Task Force on young people's engagement and employment<sup>12</sup> examined the complex funding streams that support work to improve young people's engagement and employment. The Task Force proposed reviewing funding for young people who are NEET to evaluate the effectiveness of the total expenditure. The proposed review would aim to ensure activities and resources are not duplicated, to bring resources together to offer the best service for the child or young person and better control the projects and funding allocations and better co-ordinate Welsh Government and EU expenditure. The Welsh Government has not undertaken such a review to date.
- 1.18 We examined the funding of initiatives and policy areas that could be said to impact on reducing the number of young people who are NEET. While it is not possible to identify the 'NEET' expenditure as much of this funding is directed towards young people more generally, we estimate that the combined total of Welsh Government and European Social Fund 'NEET related' expenditure is in the region of £200 million in 2013-14 (Tables 1 and 2).

<sup>12</sup> Welsh Government (2010) *Young people engagement and employment action plan*, May 2010 Annex 5 and Recommendation 4e

1.19 The Welsh Government's employment related expenditure includes a range of funding to provide support for skills and workforce development and to increase job opportunities and work experience. Much of the expenditure on apprenticeships (over £15 million) and on Jobs Growth Wales (£12.5 million) is targeted at moderate to high achieving young people up to age 24 and is therefore not included in our calculation of NEET related expenditure. Other programmes – such as traineeships - are more closely associated with supporting young people who are, or are at risk of being, NEET. Expenditure on these programmes

was just over £20 million in 2013-14. A range of other services, grants and programmes are focused on helping schools further education and training providers to improve outcomes for those from deprived communities, to support young people directly or the services that provide support. These include the Pupil Deprivation Grant, Educational Maintenance Allowance and Financial Contingency Fund and the funding for Careers Wales. The Welsh Government's expenditure on these areas totalled £166 million in 2013-14 (Table 1).

Table 1 – The Welsh Government's budget for 'NEET related' programmes in 2013-14 totalled £166 million

Programmes and expenditure	2013-14 £ millions
<b>Employment related</b>	<b>20.2</b>
Young recruits subsidy	2.3
Traineeships 2011-2014	6.1
Steps to employment	9.2
Pathways to Apprenticeship	2.6
<b>Education related</b>	<b>146.0</b>
Pupil Deprivation Grant and Communities First Match Fund	35.2
Careers Wales	30.0
School Effectiveness Grant (including looked after children)	28.8
Educational Maintenance Allowances	26.2
Part-time grants and fees	11.3
Financial Contingency Funds	9.0
Youth Services Revenue Grant	3.8
Other Youth Engagement and Employment	1.7
<b>Total expenditure</b>	<b>166.2</b>

Source: Welsh Government data, Wales Audit Office analysis

1.20 European Union financial support through the European Social Fund has supported an extensive range of projects during 2007-2014 to equip young people with the skills needed for employment. The WEFO manages this expenditure. Most of these projects and programmes have been funded for periods of between three and five years. To date, the majority of young people benefitting from these programmes are disaffected learners in school who are at risk of becoming disengaged. Some of these projects, such as the £21 million 'Engage' project in South West Wales ended during

2012-13. Funding awarded to some of the main schemes that are relevant to reducing the number of young people who are NEET and which continued in 2013-14 totalled £132 million. It is likely that this represents annual expenditure in excess of £40 million each year (Table 2).

**Table 2 – The European Social Fund supported an extensive range of projects for young people who are NEET or at risk of becoming in 2013-14**

European Social Fund supported projects operating in 2013-14	Total funding (over 3-5 years) £ millions
Welsh Government managed programmes, including: <ul style="list-style-type: none"> <li>• Reaching the Height – 'First Footholds' and 'Routes to the Summit'</li> <li>• World Class Traineeships</li> <li>• Minority Ethnic Learning &amp; Achievement Project</li> </ul> Other projects, including: <ul style="list-style-type: none"> <li>• Building the Future Together</li> <li>• PRE-VENT</li> <li>• Potential</li> <li>• Pupils Understanding their Problems In their Locality</li> <li>• Raising skills and aspirations of Black and Minority Ethnic People II</li> </ul>	
EU Funds	75.4
Match Funds	56.6
<b>Total</b>	<b>132.0</b>
<b>Estimated annual funding</b>	<b>40.0</b>

Source: Welsh Government data, Wales Audit Office analysis

**The Welsh Government did not consider the cost of achieving all of its targets but believes that refocusing existing funding should be sufficient to meet its objectives for 16-18 year olds**

- 1.21 The Welsh Government produced a business case outlining the impact, funding, affordability, and management arrangements for delivering the Framework in July 2013, after Cabinet endorsed the approach in February 2013. The Welsh Government did not calculate the cost of implementing the Framework. Rather, because the Framework represents best practice rather than new demands, the Welsh Government believes that it can meet its objectives by refocusing existing funding streams more tightly and in accordance with best practice. It has, for example, refocused the priorities of Careers Wales and emphasised to councils and further education institutions the importance of reducing the numbers of young people who are NEET as part of the tackling poverty priority. The funding streams are complex and include the Pupil Deprivation Grant, youth services allocation in the Revenue Support Grant and funding from the 14-19 learning pathways. Mapping resources, as well as services at a national and local level, would helpfully enable a more complete understanding of the expenditure on services to deliver the Framework.
- 1.22 The Welsh Government has modelled the financial implications of achieving one of the Welsh Government's targets, that of reducing the number of 16-18 year olds who are NEET to nine per cent by 2016. Compared to 2011-12, the Welsh Government estimated that achieving the target would have the effect of moving 4,500 young people into education or training at an adjusted cost (ie, including inflation) of £27.4 million in 2016/17. The Framework's business case states that this would be affordable within its budget at that time because the increase in those education would be offset by demographic changes which will reduce the numbers of 16-18 year olds in Wales during this period.
- 1.23 The 2013 Welsh Government budget protected further education expenditure for 16-18 year olds but at its current level. However, if the proportion of 16-18 year olds who are NEET falls lower than the nine per cent target, financial modelling suggests that the Welsh Government's current funding would not be sufficient to meet the extra education and training places that would be required. Each additional one per cent increase in engagement would require around £5 million of funding.
- 1.24 The Welsh Government has not estimated the cost of achieving its NEET targets for 19-24 year olds or care leavers. It recognises however that its reduced funding for further education for adults could make it difficult to encourage 19-24 year olds back into further education. It has also not costed the option of extending its Youth Guarantee to 17 year olds, which it raised as a possible option in draft guidance on implementing the Youth Guarantee in January 2014.
- 1.25 The business case does not include a reference to the risk that by better identifying young people at risk and offering intervention, the Framework results in an increase in demand for services, including health and social services and learning support. Some of these services are already stretched: for example, reports from NHS Wales acknowledge the vital importance of early identification and intervention for adolescents who are experiencing serious mental health issues but also repeatedly highlight that there is insufficient provision of child and adolescent mental health services and confusion over appropriate provision for young people as they approach adulthood.



## The Welsh Government is taking steps to co-ordinate Government and European funding in this area

- 1.26 Several Welsh Government departments provide funding for services associated with young people who are NEET: the Department for Education and Skills, which has lead responsibility for the Framework; Communities First, who provide employability projects in deprived communities and early interventional work through the Families First programme; and the WEFO. In July 2013, the Welsh Government established a Youth Engagement and Progression Framework Programme Board, chaired by the Director of Skills, Higher Education and Lifelong Learning (SHELL). The Board consists of representatives from key policy areas to ensure co-ordination across Welsh Government divisions and branches in the delivery of the implementation plan including managing and co-ordinating the finance and resources available.
- 1.27 European Union funds support a raft of interventional projects. However, different definitions of NEET and 'young people at risk' used by the European funding criteria make it difficult to monitor the impact of these interventions. A succession of reviews has identified possible duplication in projects because of a lack of co ordination in European and other funding<sup>13</sup>. In our work with local authorities, we identified areas where provision appeared to be determined by available funding, rather than local need, and where councils identified gaps in provision. The Welsh Government recognises that funding could be better co-ordinated and is taking some steps to achieve better value from the funding streams:

- a The implementation plan for the Framework recognises that work is needed to co-ordinate Welsh Government and European funding to ensure that there is no duplication and that European Social Fund investments between 2014 and 2020 are aligned with the Welsh Government's priorities for reducing the numbers of young people NEET or most at risk. For example, the Welsh Government plans to develop a project for employer engagement as a priority for future European funding by March 2014 having identified that many councils struggle to engage with local employers. Work to identify priorities and streamline the allocation process was completed in September 2013 to support the second round of European funding funds from April 2014.
- b Requiring bidders for 2015-2018 work-based learning contracts to demonstrate that they have engaged with local 14-19 networks to ensure that proposals meet identified local employment needs. This aims to reduce the perception that work-based learning that is developed by national contracts does not always meet local labour market needs.
- c Using the results of local mapping exercises to ensure that provision funded from other funding streams meets gaps in local needs rather than duplicating existing provision.

<sup>13</sup> National Assembly for Wales Enterprise and Learning Committee (2010) Young people not in education, employment or training. The Committee reported that the availability of European funds had resulted in a proliferation of agents and projects working with the client group in some areas, some duplication of services and examples where European funded projects did not match with Welsh Government priorities (paras 95-99).

## Part 2

If implemented successfully, the Welsh Government's Framework and Implementation Plan is likely to help to reduce the overall number of 16-18 year olds who are NEET, but significant risks remain



## Implementing the Framework has the potential to improve the co ordination of services and reduce duplication

- 2.1 In our work in eight councils, officials and councillors expressed concerns about the extent to which councils were able to exercise their strategic responsibilities for leading and co-ordinating services for young people, especially for 19-24 year olds. Some councils recognised that more could be done internally and with partners to raise awareness of their statutory responsibilities towards 16-24 year olds generally and, in particular, for care leavers. The Welsh Government's Framework supports this by clearly setting the responsibility for reducing the number of young people who are NEET within the context of councils' statutory responsibility to co-ordinate youth services as set out in the guidance on *Extending Entitlement: services and support for 11-25 year olds in Wales* (2002).
- 2.2 In the Framework, councils have responsibility for identifying the services required to reduce the number of young people who are NEET and co-ordinate the provision of these services. Most councils had undertaken exercises to identify the needs and whereabouts of young people who are NEET or at risk of becoming so. Some of these exercises still lacked detail on the local profile of young people who are NEET, for example by failing to distinguish young people taking a planned break ('gap year') from education or employment from sustained NEET. Generally, however, we concluded that councils' planning was built on a foundation of good local understanding of the needs and whereabouts of young people.
- 2.3 Several councils that we visited have already mapped the full range of provision for young people who are NEET in their area. These mapping exercises include not only projects funded by the council but also by the Welsh Government, European Social Fund, the Big Lottery and a range of charitable organisations. In some areas, this revealed large numbers of organisations working in some capacity with young people who are NEET or at risk of becoming so. Councils should have a full picture of post-16 school and further education opportunities but some told us that it was difficult to keep up-to-date with the full range of Welsh Government funded work-based learning, apprenticeships, job vacancies and opportunities through Jobs Growth Wales for 16-24 year olds as well as with programmes provided by the third sector, some of which are relatively short-lived.
- 2.4 These mapping exercises provide a picture of the volume and type of provision available in the area and have revealed some duplication in services for specific groups. Conversely, the exercises have highlighted gaps in provision: in Cardiff, officials were concerned about the limited number of places available for young people requiring help with English for speakers of other languages (ESOL), and in Wrexham the demand for ICT and practical courses outstrips supply.
- 2.5 The Framework identifies a role of 'engagement and progression co-ordinator' to provide operational leadership and work closely with Careers Wales and other providers. We found that many councils had already appointed an official into a similar role (for example, a 'NEET co-ordinator' or similar) albeit at differing levels of seniority during our fieldwork in July 2013. At that

time, the councils reported that appointing a lead official was important in focusing and driving work to reduce the proportion of young people who are NEET. All councils in Wales had appointed a Senior Accountable Officer responsible for implementing the Framework locally by March 2014.

## The Welsh Government has taken steps to focus the work of key partners to support the delivery of the Framework

- 2.6 The Framework clearly identifies important roles for both Career Wales and the youth service in delivering the Framework. The restructuring of careers services in Wales means that Career Wales is now better placed to fulfil the roles envisaged for it in delivering the Framework. In 2009, Estyn published a comparative analysis of the performance of careers services which raised concerns about differences in standards across Wales<sup>14</sup>. In 2013, the six careers companies were merged into Careers Wales, a single body set up as a wholly owned subsidiary of the Welsh Government. This change has clarified the accountability of Careers Wales, where responsibility lies within the Welsh Government's Youth Employment and Engagement Division.
- 2.7 Changes in the level of service offered by Careers Wales have had the effect of focusing its resources on those furthest from the labour market. From April 2013, all adults and young people continue to have access to careers services online and on the telephone but face-to-face guidance will be offered to individuals most in need, including 14-16 year olds identified at risk of disengaging and unemployed 16-24 year olds. Careers Wales has developed a 'Five-tier' model for identifying risk of disengagement, improved

tracking of young people, improved destination measures post 16 and 18 and a new common application process for post-16 options which is being trialled from September 2013. Schools have taken on responsibility for general careers advice and guidance. However, questions about the quality of careers advice for the majority of pupils remain: Estyn concluded in May 2014 that the majority of schools do not offer up-to-date and impartial advice on courses, career and progression routes to their pupils. It concluded that schools are generally struggling to replace the service previously provided by Careers Wales. Most schools do not offer one-to-one careers guidance to all learners at the important transition points of year 9 and year 11<sup>15</sup>.

- 2.8 The Welsh Government also recognises the potential for a re-invigorated youth service to undertake a strategic role in delivering the Framework locally. It issued a new National Youth Work Strategy for Wales 2014-15<sup>16</sup> in March 2014 following a consultation exercise from June to September 2013<sup>17</sup>. The strategy highlights four outcomes against which youth services will be judged:
- a young people in Wales continue to have access to diverse informal and non-formal learning opportunities;
  - b a strengthening of the strategic relationship between youth work services and formal education nationally;
  - c a better and more consistent youth work offer to young people from organisations in the statutory and voluntary sector; and
  - d the creation of a solid evidence base that captures the outcomes and impact of youth work.

<sup>14</sup> Estyn (2009) *A comparative analysis of the performance of Careers Wales 2005-2008* Submission to the Review of the Careers Services in Wales.

<sup>15</sup> Estyn (2014) *Learner support services for pupils aged 14-16* Thematic review

<sup>16</sup> Welsh Government (2014) *National Youth Work Strategy for Wales 2014-15*

<sup>17</sup> Welsh Government (2013) *A vision for a national youth work strategy for Wales 2013-18*, page 5

2.9 In the new Strategy, the Welsh Government recognises the potential of targeted youth work to support positive outcomes for young people in education and training. It also recognises that too often youth services have been regarded as peripheral. The Framework provides an opportunity for youth work organisations to become more joined up with education and support services and gives them a clear role as lead workers for young people not engaged with education, employment or training or those at high risk of dropping out. It also recognises the ability of youth workers to contact and engage with young people not in contact with statutory services (Box 3). However, the focusing of youth services on supporting the delivery of the Framework will require not only agreement from councils and from the wide range of other organisations that provide youth work services<sup>18</sup>, but also changes to the culture of youth services. Across Wales, local authority areas vary both in the mix of statutory and voluntary bodies providing youth services and in the overall level of services available. Therefore the strategy will inevitably take some time to take effect, even if all of the bodies providing youth services accept the principles underlying it.

<sup>18</sup> At a local level youth services are provided by a mix of statutory and voluntary bodies including national youth work organisations, local organisations and uniformed youth services. The precise nature of service delivery varies across councils as does the overall amount of provision.

**Box 3 – The Welsh Government envisages a clear role for youth workers and Careers Wales advisors engaging with young people who are hard to reach in its Framework’s implementation plan**

The Framework sets out a five tier model of engagement outlining the level of support available to young people based on their assessed level of risk of disengagement from education, employment or training (EET)

Risk of disengagement	Client group	Lead worker
<b>Tier 5 Young people in education, employment or training</b>	Young people are in sustained EET. Either working or studying for at least 16 hours (can include voluntary work).	No lead worker necessary given that young person is in EET and not at risk of disengaging.
<b>Tier 4 Young People at risk of dropping out of EET</b>	Those judged as ‘At risk’ are: <ul style="list-style-type: none"> <li>• young people in post-16 education or training who were identified at risk of either disengaging or not making a positive transition pre-16;</li> <li>• those whom Career Wales has been made aware of as at risk of dropping out of EET; and</li> <li>• those engaged in less than 16 hours of EET.</li> </ul>	Depends on level of risk of dropping out: <ul style="list-style-type: none"> <li>• low and medium risk – provider pastoral systems and/or allocation of learning coach as a lead worker;</li> <li>• high risk – may be allocated lead worker from Youth Service or Careers Wales; and</li> <li>• Team Around the Family will decide the appropriate lead worker if Families First are already involved.</li> </ul>
<b>Tier 3 Unemployed 16 and 17-year-olds known to Careers Wales</b>	Unemployed young people who are either engaged with Careers Wales and/or known to be actively seeking EET. They may either be ready to enter EET or assessed as requiring career management or employability skills support to enter EET.	All of the cohort will be allocated a lead worker, in most cases from Careers Wales.
<b>Tier 2 Unemployed 16 and 17-year-olds, known to Careers Wales, who are not available for EET</b>	Young people may be unable to enter EET because of ill-health, disability, pregnancy, caring responsibilities or other significant barriers to engaging. This group also includes those in custody.	These young people require intensive support. All of the cohort will be allocated a lead worker, in most cases from the Youth Service.
<b>Tier 1 Unknown status on leaving Careers Wales services</b>	Young people whose whereabouts and/or status is unknown.	Individuals will be allocated to appropriate tier when they are identified. The Youth service can play an important role identifying young people not in EET.

*Source: Adapted from Welsh Government (2013) Youth engagement and progression Framework*

## Some councils have expressed concerns about their capacity to implement the Framework given their current financial challenges, which the Welsh Government will need to monitor over time

- 2.10 Generally, we found that councils welcomed the introduction of the Welsh Government's Framework. Some of our fieldwork councils were also involved in the Welsh Government's preparations for the Framework and had already begun to update their strategies in the light of the emerging Framework. For example, Caerphilly County Borough Council had incorporated the proposed 'lead worker' role into seven new learning coach posts as a key aspect of their NEET approach. Cardiff Council designed its NEET Strategy to take account of the new Framework. The Cardiff 'Transition, Engagement and Progression Strategy for Young People 11-24' is based on the principles of clear data and early identification of young people at risk of disengagement. Carmarthenshire and Pembrokeshire Councils developed a joint NEET Action Plan in response to the Framework in October 2013.
- 2.11 However, some councils expressed concerns to us about their capacity to deliver the Framework given the financial challenges facing them. Following the Minister's announcement of the Framework, the Welsh Government developed a business case supporting the approach. The Business Case stated that, because the Framework represented best practice, councils

should be able to deliver the services required from existing budgets. The Welsh Government argued that councils could achieve this by reducing duplication, better targeting of provision following their work to map services and the needs of their young people and by 're-purposing' existing funds to focus expenditure on young people who are NEET and children and young people most at risk. The Business Case does however recognise that capacity and reduced future funding are risks to successful delivery and this is included in its risk register (as of October 2013). All 22 councils submitted an action plan for implementing the strategy by the end of March 2014 and officials will monitor issues of funding closely in their subsequent discussions with council leaders.

## The Framework does not differentiate sufficiently between young people who are NEET leading to a risk that action focuses on those least requiring support

- 2.12 Previously, the Welsh Governments strategies and action plans have discussed, sometimes at length, the characteristics of those with a high risk of becoming NEET. Its 2010 Action Plan, for example, distinguishes between: those who are NEET for a long period ('core' NEET); those who may be out of education, employment or training for a short period but subsequently re-engage with learning or work; and those who are inactive perhaps because of ill health or disability or caring responsibilities including early parenthood. More recently, research by the Welsh Government identified three distinct categories of young people who are NEET (Box 4).

#### Box 4 – The Welsh Government has drawn on research to differentiate between young people who are NEET on the basis of the barriers they face to engagement

The Welsh Government (2013) drew on research evidence to differentiate young people who are NEET based on their attitudes to education, employment and training and barriers they experience to engaging in education employment or training. This research identified three groups within the population of young people who are NEET:

- Open to learning, cyclical or in transition: young people who are likely to re-engage in education, training and the workforce in the short term, tending to have higher attainment and a more positive attitude to exploiting opportunity.
- Floating, 'at risk' or undecided: young people who may be dissatisfied with available opportunities or are most vulnerable to economic downturn. This group also includes those young people who lack direction and/or motivation and tend to move in and out of the NEET group.
- Core or sustained: young people experiencing longer-term disengagement in education, training and the labour market. For these young people, disengagement is often linked to a wider pattern of poor attainment and experience.

Source: Welsh Government (2013) *Identifying Young People at Risk of becoming 'Not in Employment, Education or Training'*, Social Research 60/2013

2.13 A similar analysis by the National Foundation for Educational Research (NFER 2009)<sup>19</sup> estimated that around 40 per cent of NEET were 'sustained NEET'. A further 40 per cent are 'open' to learning and 20 per cent are 'undecided'. Each segment within the NEET population requires a different policy response to help them re-engage with education, employment or training<sup>20</sup>.

2.14 Applying this analysis to Wales would suggest that there are currently around 4,600 16-18 year olds who are sustained NEET. However, neither the Framework nor the national targets for reducing the proportion of 16-18 year olds who are NEET differentiate between these sub-groups within the total NEET population. As a result there is a risk that the Welsh Government could meet its targets for reducing the number of young people who are NEET by focusing activities on young people in the 'open to learning' or 'floating' groups without impacting on 'core NEET' who represent the greatest challenge. As many young people may re-engage with education, training

and employment without requiring significant intervention, this could represent poor value for money.

2.15 The Welsh Government Strategic Equality Plan launched in January 2012 recognises that some young people are more likely to become NEET. It sets an objective to reduce the over-representation of certain ethnic groups, care leavers and of disabled people among those who are NEET<sup>21</sup>. Data from the Welsh Government shows that young people who are disabled are particularly likely to be NEET: 19.6 per cent of 16-18 year olds and 42 per cent of 19-24 years olds with a disability are NEET compared to 11 per cent of 16-18 year olds and 19 per cent of 19-24 year olds without a disability<sup>22</sup>. The plan details a range of activities that the Welsh Government is undertaking to better support these young people to engage in education, employment or training. Although the Strategic Equality Plan reports that responsibility for many of these actions lies within the Youth Employment

19 Spielhofer, T., Benton, T., Evans, K., Featherstone, G., Golden, S., Nelson, J. and Smith P. (2009) *Increasing Participation: Understanding Young People Who Do Not Participate in Education or Training at 16 and 17* (DCSF Research Report 072). London: DCSF.

20 Nelson, J and O'Donnell, L. (2012) *Approaches to Supporting Young People Not in Education, Employment or Training: a Review* (NFER Research Programme: From Education to Employment). Slough: NFER.

21 Welsh Government, 2012, *Strategic Equality Plan and objectives 2012-2016*

22 Welsh Government, Young people not in education, employment or training (NEET) (Year to 31 December 2013) Statistics Bulletin 40/2014



and Engagement Division, the commitments are not repeated within the Framework and it is unclear if they will feature in discussions with councils and their action plans. The Welsh Government's own equality impact assessment of the Framework suggests that its introduction will improve the position of young people generally and that local authorities will be required to demonstrate how they have ensured provision including those with protected characteristics as well as care leavers and young offenders<sup>23</sup>. However, the plan is not clear on the steps it will take to ensure this detailed planning occurs and to report on progress.

### The Framework focuses on work with pre-16s learners and 16-18 year olds and it is not clear if this will be sufficient to achieve the Welsh Government's objectives for 19-24 year olds

- 2.16 The Welsh Government's Framework concentrates on young people up to, and including, age 18. However, in recent years, the number and proportion of 16-18 year olds who are NEET has fallen while the number of 19-24 year olds who are NEET has increased from 17 per cent in 2008 to 23 per cent in 2012 (Figure 1).
- 2.17 We found that most councils' planning and activity to date has also focused on young people aged 16-18. Pre-16, most councils were able to demonstrate some work to identify those pupils most likely to make a poor transition at 16 and offering support and guidance in Year 11 and sometimes earlier. However, the majority of the councils that we visited in summer 2013 were beginning to look at improving outcomes for young people aged 19-24. For example, Swansea

Council is developing a NEET Strategy for 19-24 year olds with key partners in Careers Wales, Job Centre Plus, further education institutions and work based learning providers. This work is informed by a series of workshops delivered by Kafka Brigade UK to understand key issues affecting this cohort. Early indications are that the Strategy will develop the 'five tier model' approach to identify at risk individuals aged 19-24. It is also likely to include a pilot project to target high priority groups.

- 2.18 Other councils were planning to adapt the work that they undertook to identify and support young people at risk of disengagement at 16 to work with the older group. However, we have some concerns about the viability of taking a similar resource intensive approach to 19-24 year olds who are NEET because of the larger numbers of young people in that age group and the different range of interventions available.
- 2.19 The Welsh Government told us that they believe the actions in the Framework to increase engagement are likely to reduce the number of 19-24 year olds who are NEET by raising skills and qualifications and equipping young people for further and higher education or employment before they reach 19. Officials recognise that the Welsh Government has less influence over the numbers of 19-24 year olds NEET, in part because this is more affected by labour market conditions more generally.
- 2.20 However, previous research and inspection work has concluded that improved outcomes at 16-18 does not always translate into reduced numbers of 19-24 year olds being NEET. For example, the Audit Commission (2010)<sup>24</sup> observed that councils with the lowest number of 16-18 year olds NEET did not necessarily have the lowest number of

<sup>23</sup> Welsh Government (August 2013) Equality Impact Assessment: Youth Engagement and Progression Framework

<sup>24</sup> Audit Commission, *Against the Odds – Re-engaging young people in education, employment or training*, July 2010

19-24 years NEET. Similarly, figures for Welsh local authorities show that those with the biggest falls in the proportion of year 11 (aged 16) leavers who are NEET did not necessarily see the same improvement with older age group. In Torfaen, for example, the proportion of year 11 leavers who are NEET fell from 8.2 per cent in 2009 to 2.5 per cent in 2013 but the number of year 13 (aged 18) school leavers who are NEET increased from 5 to 7.0 per cent over the same period (Figures from Career Wales, April 2014).

2.21 The Audit Commission (2010) concluded that the problems and challenges of being NEET do not fit neatly into the responsibilities of agencies that only see young people up to age 18. Looking at policies in England, the Audit Commission found that policy documents tend to reflect departmental responsibilities for young people which change at the age of 18<sup>25</sup>, with an overlap until 19. The Audit Commission concluded that the UK Government's focus on achieving its 16-18 NEET target in 2010 did not encourage providers to think about employment prospects from 18-24 and recommended developing a more coherent approach to supporting young people most at risk until their mid-twenties.

2.22 Achieving a more coherent approach will face different challenges in Wales. The Minister for Education and Skills<sup>26</sup> has overall responsibility for both youth engagement and progression.

However, a significant complication for Wales is that responsibility for income maintenance and associated skills and employment training lies with the UK Government's Department of Work and Pensions. As such, the Welsh Government skills training programmes must operate in conjunction with the UK Government's Work Programme<sup>27</sup> and Youth Contract<sup>28</sup>. Welsh Government programmes such as Jobs Growth Wales or Pathways to Employment operate in the period before individuals are required to engage with the Department for Work and Pensions' Work Programme. This is an important constraint on work with young people aged 19 plus and for the small number of young people under 19 who are in contact with the Work Programme including those released from youth custody. The UK government has taken a different view so that Work Programme participants in England are able to access programmes funded by the European Social Fund<sup>29</sup>. In November 2013, the Welsh Affairs Select Committee recommended in its report on the Work Programme in Wales that the two administrations work together to enable Work Programme participants in Wales to be able to access the full range of training opportunities available<sup>30</sup>. The Welsh Government and the UK Government have established an official level-working group, chaired by the Minister for Skills, to explore this issue further. This Committee met for the first time in February 2014.

25 In England, government policy affecting young people NEET lies with the Department for Education (including schools, curriculum up to 18 and further education), the Department for Business, Innovation and Skills (including raising skills levels and reducing the proportion of 18-24-year-olds who are NEET) and the Department for Work and Pensions (support and help for unemployed 18-24-year-olds get back into work and welfare benefits).

26 Lead responsibility for youth engagement and progression and Career Wales lies within the Skills Higher Education and Lifelong Learning Group (SHELL). This group sits within the Education and Skills Directorate alongside the Schools and Young People Group with responsibility for schools and the youth service. The Deputy Minister for Skills and Technology is responsible for the Framework although the Minister for Education and Skills has overall responsibility.

27 The UK Government's Work Programme replaced several schemes including Employment Zones, the New Deal, Flexible New Deal and the Future Jobs Fund in 2011. It focuses on people who are unemployed long term or at risk of becoming so and refers them to private, voluntary and public sector organisations who are paid primarily for placing people in work and remain in work.

28 The Youth Contract is a UK Government Programme specifically focussed on young people. It was launched in April 2012 to provide opportunities for 18-24 year olds including apprenticeships and voluntary work placements and also support for businesses employing young people through Jobcentre Plus or the Work Programme who have been unemployed for six months or more.

29 The Welsh Government's Welsh European Funding Office determined that Work Programme participants would not be allowed to access courses funded by European Social Funds (ESF) as this constituted double-funding under EU rules even where the jobseeker was taking the course prior to referral onto the Work Programme. The Scottish Government has taken a similar decision. This is not the case in England, where customers are able to access Skills Funding Agency programmes part funded by ESF.

30 Welsh Affairs Select Committee – Third Report (2013) The Work Programme in Wales paras 53-63

- 2.23 Councils and their partners told us that the central role played by the Department for Work and Pensions for young people aged 19 and over was an important factor constraining councils' ability to lead and innovate in work with young people 19-24 who are NEET, as they have far fewer levers to influence provision for those over 19. Where councils were developing strategies for over-19s, some had recruited local Job Centre Plus staff onto their NEET management boards to better co-ordinate work. Councils mostly reported good local working relationships with the Job Centre Plus staff locally although they reported some areas of difficulty around data sharing.
- 2.24 Currently each local authority is developing data sharing protocols within their local partnerships. This is supported within the Framework, which cites the data sharing agreement developed in Ceredigion as a good practice model. However, this model does not include the Department for Work and Pensions because they do not participate in the local arrangements in Ceredigion because of data concerns. However, in other areas we found that councils and the Department for Work and Pensions were piloting measures to enable data sharing where individuals gave their consent. The Department for Work and Pensions is currently exploring the legal and practical barriers to sharing information on individuals with local partners to enable greater consistency in approach across Wales.

## Part 3

The Welsh Government has clear mechanisms to monitor progress and hold councils and most national stakeholders to account but councils have not adopted its targets despite being committed to reducing the numbers of young people who are NEET



The Welsh Government has set out responsibilities for implementing the Framework clearly and introduced a mechanism for holding councils and some other partners to account, although some arrangements for local accountability are unclear and arrangements will be affected by any changes in the delivery of education services

The Welsh Government has set out responsibilities for implementing the Framework clearly although plans to hold councils and other partners to account for performance depend heavily on developing sustained destination measures

The Welsh Government has clearly set out responsibilities for implementing its Framework for most of its partners

3.1 The Welsh Government has clearly set out the roles and responsibilities for implementing the Framework for most of its partners (Box 5). It sees its own role as setting out clear standards and expectations of improvement, helping local authorities develop and implement plans and hold councils and partners to account. The Welsh Government is introducing new mechanisms

to hold councils and partners better to account for performance in reducing the number of young people who are NEET. From January 2014, officials from Welsh Government's Youth Engagement and Employment Division meet bi-annually with a senior leader in each Council to discuss the Council's NEET Action Plan and progress towards achieving targets. This approach draws on the findings of research<sup>31</sup> and inspection<sup>32</sup>, which emphasises the importance of strong, senior leadership to achieving progress in reducing the number of young people who are NEET.

3.2 At age 18, young people who are NEET become eligible to claim benefits and responsibility for support for them moves from Career Wales to Job Centre Plus. There are also a small number of 16-17 year olds who are eligible for benefits, mainly on grounds of hardship. In recent years, joint working between Job Centre Plus advisors and Career Wales advisors has developed in some local authorities to provide more seamless services for unemployed young people as they become eligible for benefits. While Careers Wales has some presence in all Job Centre Plus offices, some areas have particularly strong working arrangements. Work is on-going to develop procedures so that this joint working occurs more consistently across Wales. The Framework could helpfully reflect this work.

<sup>31</sup> Arad (2011).

<sup>32</sup> Ofsted (2010), Audit Commission (2010).

### Box 5 – The Welsh Government’s Framework clearly sets out roles and responsibilities of major partners other than the Department for Work and Pensions for reducing the numbers of young people NEET

The Youth Engagement and Progression Framework clearly sets out the roles and responsibilities of partners in action to reduce the number of young people who are NEET:

- **Welsh Government’s** role in implementing the Framework is to set out clear standards and expectations, to help local authorities to develop their plans and support their implementation by helping them to learn from effective practice across Wales, whilst holding local authorities and providers to account for the outcomes achieved.
- **Local Authorities** have the lead strategic responsibility for implementation of the framework. They may want to allocate responsibility for implementation of the Framework to a senior leader within the local authority. In addition, they may want to develop the role of an Engagement and Progression Co-ordinator to provide operational leadership, and to work closely with Careers Wales and providers.
- **Careers Wales** can help to bring greater consistency to implementation of the Framework across Wales and has an important role in supporting the development of new brokerage arrangements and in implementing the data and tracking systems.
- **The Youth Service** will have a vital role as provider of lead workers for those young people identified in greatest need of support. These proposed responsibilities are set out in the National Youth Service Strategy Consultation document.
- **Schools** are responsible for ensuring the right young people have been identified and tracking the progress made by young people. They will support young people to use the common application process and ensure access to appropriate information, advice and guidance. We will hold schools to account by developing post-16 Destination Measures.
- **Post-16 providers** are responsible for identifying young people at risk of dropping out and providing support to help keep them engaged. They will need to notify Careers Wales if young people drop out of education and training. They are also critical to ensuring an appropriate mix and balance of provision is in place in every area.

Source: *Welsh Government Youth Engagement and Progression Framework (2013)*

The Welsh Government and Career Wales are working to improve measures of sustained destinations, without which it will difficult to hold each organisation to account for its performance

3.3 Successive reviews and reports have recognised the lack of sustained data on the destinations of learners as a weakness in evaluating the effectiveness of interventions with 14-19 year olds:

- a The report of the National Assembly's Enterprise and Learning Committee (2010)<sup>33</sup> on young people who are NEET made several recommendations about the quality and use of data to support performance monitoring. For example, its first recommendation was that the Welsh Government continues to ensure, by working with the UK Government where appropriate, that headline and local data relating to young people NEET are as comprehensive, robust and up-to-date as possible.
- b *The 2012 Review of Qualifications for 14-19 year olds in Wales*<sup>34</sup> recommended that performance criteria support a unified national qualifications system for Wales, with data collected on a consistent basis across the school sixth form, further education and work-based learning sectors, on the basis of retention, completion, attainment and progression.

c *The Review of the Future Delivery of Education Services in Wales* (June 2013)<sup>35</sup> recognised that post-16 outcome measures are not aligned. In our visits to councils, some officials commented that Estyn's use of post-16 destination measures was instrumental in schools increasing interest and commitment to improving post-16 destinations and reducing the number of learners who do not make successful transitions at 16.

- 3.4 The Welsh Government envisages that comparable performance data for 16, 17 and 18 year olds by local authority area will be its main tool for holding councils, schools and other providers to account for performance. However, its ability to do this heavily depends on developing better destination measures than are currently available. The Welsh Government's Statistical First Release (published annually in July) provides the most complete picture of the number of young people NEET. This data does not provide any more detailed analysis other than by gender. Further information (for example, disability and ethnic group) is available from the Annual Population Survey but the sample size is too small to be analysed at local authority level.
- 3.5 Currently, the only data routinely published which compares outcomes for the whole year group by local authority is collected by Careers Wales on destinations at 16. Careers Wales' data on 17 and 18 year olds up to and including 2013 includes only those attending school sixth forms. Careers Wales is undertaking work to publish the first destination dataset for all 16-18 year olds.

33 National Assembly for Wales Enterprise and Learning Committee (2010) *Young people not in education, employment or training*, Recommendations 1, 2 and 3. <http://www.assemblywales.org>

34 Welsh Government (2012), *A review of qualifications for 14-19 year olds in Wales* (November 2012) Recommendation 40

35 Welsh Government, *The future delivery of education services in Wales* (June 2013), page 11

- 3.6 These new figures will report leavers' destinations known in October each year ie, shortly after leaving school or further education. Similar data for England reports more sustained destinations by reporting on destinations sustained between October and March the following year for year 11 leavers. These experimental statistics are published in the performance data for all secondary schools in England. The Welsh Government has established a cross cutting Departmental steering group to develop a strategic approach to destination measures which will link data sets across different education sectors and look to produced destination measures that report longer term outcomes for school leavers.
- 3.7 Careers Wales also plans to make data available in-year from its national database about the position of all 16-18 year olds against its 'five tier model of engagement'. The Welsh Government can use this more detailed information in conversations with local authorities about their progress and by local authorities themselves to plan provision.
- 3.8 Generally, the data available reports destinations at a point in time rather than tracking a cohort of young people. Young people are very mobile at this stage in their lives. For example, statistics demonstrate that four per cent of those starting a further education course (and up to nine per cent in some colleges) leave within eight weeks. The Welsh Government's Framework puts requirements on work-based learning providers and further education colleges to share destination information so that Careers Wales can better track individuals and offer guidance and advice more quickly if an individual drops out. This will be done by strengthening expectations that providers will give Careers Wales this data regularly in the annual letter in which the Welsh Government sets out its priorities for the further education sector, in work-based learning funding contracts, and by working with Colegau Cymru<sup>36</sup> to encourage regular notifications of changes in destinations.
- 3.9 The increased use of the Unique Learner Number (ULN) by schools for learners from year 9 (age 14) is also important to enabling more effective tracking of individuals, provided that the individual consents to sharing their data. The 2012 Review of 14-19 Qualifications<sup>37</sup> recommended that Awarding Bodies and learning providers in all sectors should be required to adopt management information systems that capture ULN data in a nationally agreed format. Although the Welsh Government has not mandated maintained schools in Wales<sup>38</sup> to use the ULN, there are clear incentives to do so as the ULN substantially reduces the administration required for examinations and admissions and is required by some awarding bodies. Currently around 95 per cent of learners have a ULN but some of the young people most at risk of becoming NEET – those in special schools in Wales and young offender institutions - do not currently register for a ULN which will subsequently reduce the ability to trace their progress.

<sup>36</sup> Colegau Cymru / Colleges Wales is the national organisation representing all 16 further education colleges and institutions in Wales.

<sup>37</sup> Welsh Government (2012) *Review of qualifications for 14-19 year olds in Wales: Final report and recommendations*

<sup>38</sup> Maintained schools and academies in England will be required to use ULN for learners from year 9 onwards from January 2014. This requirement includes learners in PRUs and alternative provision and will form the basis of the annual school census. It is estimated that the introduction of the ULN in England has achieved £18 million in efficiency savings in 2008-09. <http://www.learningrecordsservice.org.uk>



3.10 Currently, Careers Wales do not know the destinations of 1.6 per cent of 16 year olds because they do not respond or have left the area. This is an improvement on 2009 when 3.4 per cent did not respond to the survey or had left the area and destinations were unknown. The Welsh Government's Framework challenges Careers Wales and councils to develop more effective mechanisms for tracing young people whose destination is currently unknown because it is possible that a proportion of this group are not engaged in education, employment or training.

**Councils were generally able to hold their officials to account but processes for holding partners to account were sometimes unclear**

3.11 We found that councils generally had clear processes to hold officials to account but the lack of targets and performance measures in some councils for the proportion of young people who are NEET reduces their ability to use their accountability processes effectively.

3.12 In Cardiff, for example, the Council has set no overall target for reducing the numbers of young people who are NEET to measure progress towards its stated desire to be a city where all young people are engaged in education, employment or training. We found that although officials and partners were committed to achieving the Council's vision, we observed that accountability and performance management were stronger in some departments than in others. However, within the Council, Families First and Communities First have developed scorecards to measure progress and there are a range of performance measures used to monitor the progress of learning coaches, training and

enterprise centres and the Careers Wales team. Similarly, in Rhondda Cynon Taf, the Supporting Engagement in Education, Employment and Training Strategy 2012-2015, Single Integrated Plan and Corporate Plan lack clear targets.

3.13 Councils told us that they found it difficult to challenge the performance of some of their partners, particularly where they are not funders. Apart from lacking clear targets and performance measures, some councils did not have performance information from local work based learning providers or from some third sector organisations. The Framework acknowledges some of these difficulties by encouraging council officials to raise any concerns about national providers' performance in their biannual meetings with the Welsh Government.

**In future, the structure for holding councils to account will need to reflect changes in the arrangements for delivering education services**

3.14 The Welsh Government's approach to holding councils to account for their performance in reducing the proportion of young people who are NEET may need to alter to reflect the changing shape of education services in Wales following the establishment in 2011 of regional consortia focused on school improvement and the 2013 Review of the Future Delivery of Education Services in Wales. The development of the National Model for Regional Working seeks to clarify the roles that schools, councils, regional consortia and the Welsh Government play in improving outcomes for children and young people. In this model, consortia are expected to have oversight 'strategic overview' of the regional 14-19 offer.

3.15 In time, the national model has the potential to create the structures and framework within which this partnership can function. In the model, although local authorities retain the statutory responsibility for schools and school improvement, regional consortia will support schools and local authorities to improve learner outcomes. It is unclear if this will include reducing the number who are NEET on leaving school or achieve low qualifications. The regional consortia are, in time, likely to play an increased role in the provision of support for additional learning needs as the Welsh Government has recognised that schools are often unable to support the full range of specialist services required for these diverse needs.

3.16 The Welsh Government will also need to take account of the potential reform in the structure of local government following the Commission on Public Service Delivery (the Williams Commission) that reported in January 2014. This recommended a reduction in the number of authorities in Wales. The final shape of councils and the timetable for change are yet to be decided but change will affect the delivery education and youth services across Wales.

### The Welsh Government has taken steps to make its own departments' accountability for implementing the Framework clearer and to co-ordinate the activities of policy departments

3.17 In our fieldwork, councils told us that some of the initiatives coming from the Welsh Government seemed uncoordinated. For example, at the same time as piloting the Framework, councils were also developing services aimed at reducing the number of young people who are NEET in response to initiatives from Communities First and Families First. Work funded through Communities First or Families First is subject to different performance management arrangements and targets with which local authorities have to comply.

3.18 The Welsh Government has created a Youth Engagement and Progression Framework Programme Board which met for the first time in July 2013. The Board brings together representatives from relevant policy areas to better ensure co-ordination across Welsh Government divisions and branches in the delivery of the implementation plan for Youth Engagement and Progression. Divisions represented include Further Education and Apprenticeships Division, Support for Learners Division and the Strategy and Workforce Unit in Department for Education and Skills as well as the Deputy Director for Employment and Skills. There are also representatives of other parts of the Welsh Government that contribute to the delivery of the strategic outcomes and benefits of the Framework such as Statistics, Welsh Language, Communities First and Entrepreneurship and Delivery. The Programme Board will approve all major plans, key documents

and major deviations from the Programme and reports to the Department for Education and Skills Delivery Board chaired by the Director General, Education and Skills.

### The Welsh Government has set national targets to reduce the number of 16-18, 19-24 year olds and care leavers who are NEET but councils do not share them despite their own commitment to the agenda

3.19 The Welsh Government has set three targets for reducing the number of young people who are NEET (Box 6). These targets are contained in the latest actions plans for implementing its Tackling Poverty Strategy. Progress towards these targets is currently inconsistently reported. For example the Programme for Government reports the proportion of young people 16-18 years old who are NEET and compares this against that in England. It also reports the proportion of 19-24 year olds who are NEET without making comparison to performance elsewhere in the UK. Comparable data for Scotland and Northern Ireland for 16-18 year olds and 19-24 year olds is only available from the Annual Population Survey and is published in an annual statistics publication.

#### Box 6 – The Welsh Government has set three targets within its Tackling Poverty Strategy that are associated with reducing the number of young people who are NEET

The Youth Engagement and Progression Framework clearly sets out the roles and responsibilities of partners in action to reduce the number of young people who are NEET:

- reduce the percentage of young people 16-18 who are NEET to nine per cent by 2017 (from 12.1 per cent at the end of 2011);
- reduce the proportion of young people who are NEET aged 19-24 in Wales relative to the UK as a whole by 2017; and
- increase the percentage of care leavers in education, training or employment to 51 per cent by 2017. (from 47 per cent in 2011/12).

Source: Welsh Government's Programme for Government (2013) *Building resilient communities: taking forward the Tackling Poverty Action Plan* (pages 17-18)

3.20 In visits, we found that councillors and officials were clearly committed to the aim of reducing the number of young people who are NEET. Although all councils made some reference to reducing the number of young people who are NEET in their improvement objectives or other strategic documents, the majority have not set any measurable targets. Where they have done so, measures and targets did not reflect those of the Welsh Government and were inconsistent. For example, councils' plans focused on:

- a young people aged 18 or over (Swansea and Wrexham);
- b 14-19 year olds (Carmarthenshire and Vale of Glamorgan);
- c 16-18 year olds (Rhondda Cynon Taf and Torfaen); and
- d 16-24 year olds (Caerphilly, Cardiff, Conwy and Flintshire).

3.21 Achieving the targets for care leavers will be challenging, especially as the proportion in education, employment and training fell in 2011 compared to the previous year. The progress is reported in the Programme for Government annual reports which show that the performance is significantly worse than in England. However, in Wales, the proportion of care leavers in education, employment and training has increased over five years from 44.8 per cent in 2008 to 52.4 per cent in 2012 whereas the proportion in England has declined from 63 per cent to 58 per cent in the same period. We found that only a minority of councils had developed explicit targets relating to the proportion of care leavers in education, employment and training.

## Part 4

The Welsh Government has not developed sufficiently clear plans to deliver its commitments to effective evaluation and shared learning and to assess value for money of the substantial public expenditure in this area



## The Welsh Government has outlined the social benefits flowing from reducing the number of young people who are NEET but needs to do more work to measure these benefits

- 4.1 We found that councillors and local government officials had a clear understanding of the types of social benefits that could flow from reducing the number of young people who are NEET. In meetings with us, they described links between poorer health outcomes, crime and antisocial behaviour when young people become NEET. However, these social benefits were rarely reflected in the councils' outcomes and targets.
- 4.2 The Welsh Government's Framework also discusses how reducing the number of young people who are NEET is likely to result in reducing the social costs of long term unemployment including the long-term costs of antisocial behaviour and health and social services costs. The Welsh Government produced a plan setting out the potential benefits of the Framework in October 2013. The plan refers to benefits including increased attainment and increased income but recognises that this is dependent to some extent on labour market conditions. It also suggests that reducing the numbers of young people who are NEET will have a positive impact on costs associated with health, police and social services and long-term unemployment.
- 4.3 However none of the targets outlined in the plan reflect these benefits and it is not clear if, and how, the Welsh Government intends to capture these social impacts to demonstrate the effectiveness or not of the Framework. Similarly, it is not clear how it will measure and quantify any link between reducing the numbers of young people NEET and increasing incomes levels and reducing poverty.

## The Welsh Government is committed to evaluation and enabling shared learning

- 4.4 From our visits to councils in Wales, we concluded that, although outcomes for young people have improved, a lack of routine evaluation meant that the contribution of individual interventions is often unclear. Generally, the lack of a common approach to evaluating the large number of projects and programmes provided by organisations working with young people in their areas means it is difficult for councils to assess effectiveness and value for money of the services provided to reduce disengagement. There were some examples of councils that had assessed the relative effectiveness of services or specific projects. However because evaluation is not generally undertaken routinely, councils lack a clear picture of 'what works' in their area to inform service planning and delivery and are not able to judge the value for money of interventions. Some councils told us that they are planning steps to address this gap.
- 4.5 Similarly, we found that the Welsh Government has evaluated some aspects of the programmes and services that aim to reduce the number of young people NEET. For example, because European funding is contingent upon there being some form of evaluation, there is a substantial raft of information about the throughput and outcomes of European funded work. Work is currently ongoing within the Welsh Government to build in requirements and standards for evaluation into the second wave of EU funded projects from 2014 to embed a more consistent and comparable approach to evaluation. However the same requirements do not apply to projects receiving other funding, although project managers are usually required to provide information on throughput and sometimes outcomes to the relevant funder.

- 4.6 The Welsh Government also reviewed the operation of education maintenance allowance in 2008 and plans a full evaluation starting in 2014. An evaluation of the Welsh Government's Financial Contingency Fund was completed in 2013. However, despite this monitoring and evaluation activity, there is no overall assessment of effectiveness of work to reduce the number of young people NEET. The different measures of outputs and/or outcomes required by grant holders means that it would currently be difficult to compare the relative effectiveness of the range of interventions undertaken to better understand their relative contribution to improving outcomes for young people.
- 4.7 The Welsh Government has committed to evaluating the Framework to understand its effectiveness both at a national and local level. Currently, a two-phased evaluation is planned that will initially examine the process of implementing the Framework, particularly focussing on the implementation of its two new offers, the single lead worker and the Youth Guarantee. The second phase will evaluate the effectiveness of the Framework and local authority work in reducing the number of young people who are NEET. There are a significant number of challenges for any independent evaluation:
- a *Co-ordinating on-going evaluations to ensure common outcome measures to enable comparison.* For example, there is a requirement to evaluate all projects funded by the European Social Fund but currently the outcomes are not collected in the same format as projects supported by other funders. This limits any comparison of effectiveness between interventions. The Welsh Government has also committed to evaluating the range, value and impact of youth work provision including its contribution to employability by 2017 and the impact of youth work in schools by the end of 2015 and it will be important that outcomes are comparable with other evaluation work.
  - b *Ensuring high quality evaluation of interventions.* Good quality evaluation can provide evidence on causality and attribution – that is whether a policy achieved its intended outcomes and the extent to which observed change was due to the policy rather than other factors. The National Audit Office (2013) reported that, across Whitehall, evaluation was not comprehensive and generally resulted in low quality of evaluation evidence: only a minority of studies could give reliable evidence about the effectiveness of policies<sup>39</sup>. Looking at the evidence in Wales, currently few studies have provided high quality evidence of effectiveness. Few studies have followed a quasi-experimental design, for example by including a matched comparison group to better understand causality. We are not aware of any evaluations in Wales of NEET related activity that have undertaken any form of randomised control, which would measure the effectiveness of an intervention and take into account the multiple organisations and public services that are often working simultaneously with young people who are NEET or at risk of becoming so.

- c *Allowing for the long-term impact of work to reduce the number of young people disengaged from education, employment or training.* Currently most measures are collected shortly after the intervention is completed. For example, destinations from further education currently are based on information collected from the respondent at the end of the course and represent their intentions at that time. Better tracking of individuals through education and subsequently would enable better measures of the long term impact of interventions.
- d *Capturing the social and economic benefits flowing from reducing the number of young people NEET.* Currently young people are completing education or training in a period of historically high youth unemployment. Therefore, any attempt to evaluate the impact of interventions will need to also report social and economic benefits that flow from work to provide a full assessment of impact.
- e *Evaluating the value for money of interventions and the general approach.* This requires a thorough assessment of the costs of services as well as comprehensive assessment of outcomes.

4.8 The Framework demonstrates a commitment to sharing learning and sharing good practice through workshops, ‘deep dive’ sessions, linking authorities and identifying good practice. However, it is not clear whether there will be sufficient resources for the heavy demands involved in sharing good practice and learning effectively.

## The Welsh Government and councils need to do more to assess the value for money from the substantial level of public expenditure on young people who are NEET

4.9 Research, commissioned by the Audit Commission in 2010<sup>40</sup>, estimated the average cost of being NEET as £56,400 in public finance costs and £104,000 in resource costs (Box 7). The Welsh Government’s Framework makes some reference these figures. We found that many councils also refer to the figures in a range of strategic documents. Applying these figures to Wales would suggest that the lifetime cost of the current numbers of young people 16-18 who are NEET is £626 million in public finance costs and £1.21 billion in resource costs<sup>41</sup>. Not all of these costs fall to councils or the Welsh Government directly as a substantial proportion of the potential lifetime cost is made up of welfare benefits and lost tax and national insurance to the Treasury. Neither the Welsh Government nor councils have calculated the cost to themselves of a high NEET population.

<sup>40</sup> Bob Coles, Christine Godfrey, Antonia Keung, Steven Parrott and Jonathan Bradshaw (2010) *Estimating the life-time cost of NEET: 16-18 year olds not in Education, Employment or Training Research Undertaken for the Audit Commission*

<sup>41</sup> These figures differ from those quoted in the Welsh Government’s Framework which erroneously adds together the public finance costs and the resource costs in calculating the cost of the current cohort of young people 16-18 who are NEET. The original research states that these costs should be considered separately because of the potential overlap between the calculations.



### Box 7 – Research has demonstrated the high cost of young people being NEET for a sustained period

Research commissioned by the Audit Commission in 2010 estimated the long-term cost of rising levels of NEET using a review of statistical sources and literature on young people who are NEET. The research estimated the average lifetime cost of individual young people being NEET:

- **Public finance costs** before retirement age based on the payment of welfare benefits, costs to health and criminal justice services and lost tax and national insurance contributions. The research estimates the average individual lifetime cost at £56,000.
- **Resource costs** which represent the loss to the economy and to individuals and their families resulting from their being NEET and subsequent under-employment and unemployment. The average lifetime resource cost is estimated at £104,000.

The research concluded that the entire 2008 group of young people NEET in England could cost over £12 billion in public finance costs and £22 billion in resource costs. The authors encourage caution in using average costs because of the huge variations in subsequent experience of young people who are NEET for a period between the ages of 16-24. The case study which saw the greatest cost to public finance was that of a young offender where costs of more than £2 million was projected over the individual's lifetime. Conversely, those on a planned break from education (e.g. 'gap year' students), incur relatively little cost to the public purse. Some of the case studies were used to illustrate how relatively inexpensive youth support projects can result in major public finance savings.

*Source: Audit Commission, 2010 Against the odds: re-engaging young people in education, employment or training*

4.10 In 2010, the Welsh Government's Task Force on Youth Engagement and Employment noted the large amount of public expenditure in this policy area and recommended that the Welsh Government reviews the total youth spend in order to be able to better assess value for money. The Welsh Government has not completed this recommendation. Therefore it does not know if the estimated £200 million annual current expenditure associated with reducing the number of young people NEET (Tables 1 and 2) is being spent in the most effective way, whether current levels of expenditure are sufficient or if it could achieve its desired outcomes with less expenditure. As financial challenges continue, it will be necessary to develop a better understanding of the costs of interventions and their benefits to be able to judge their relative effectiveness.

4.11 Similarly, we found that the economic costs of young people being NEET for a sustained period were referenced in a range of council assessments, mapping exercises and sometimes in Single Integrated Plans. Consideration of the economic consequences of a high NEET population influenced the development of projects including the Caerphilly Council Passport Scheme, initiatives with local businesses to address skills gaps in Cardiff and the development of social impact clauses in procurement contracts in Cardiff, Rhondda Cynon Taf and Swansea. However, these references tended to be to a general global cost of being NEET. Councils had not calculated the cost of young people being NEET to them directly or to their partners nor calculated the totality of their spending on young people who are NEET or at risk of becoming so.

- 4.12 Some councils have set out the costs of administering some initiatives, particularly 14-19 provision, but we found that none had made a thorough assessment of the resources required to achieve improved outcomes for young people who are NEET or at risk of becoming so. Documents generally lacked detail on the resources required to meet strategic priorities and failed to consider the cost to the council of implementing the Welsh Government's Framework. Although Flintshire Council had identified the resources required to achieve their ambitions, this was expressed in fairly general terms, describing the staff time and training and making some reference to funding. In Cardiff, the council has identified the cost of the brokerage element of its Youth Engagement, Transition and Progression strategy, although it is more difficult to estimate the other resources required as that is dependent on the needs of the young people identified as requiring support.
- 4.13 This lack of financial analysis is likely to limit councils' ability to balance NEET services with other non-statutory priorities in the face of financial challenges. It may also mean that local government is unable to discuss the financial planning for reducing the number of young people NEET with the Welsh Government from a clear understanding of the costs and benefits of the proposed services and arrangements.

## Appendices

Appendix 1 - Methodology

Appendix 2 - Young people not in education, employment or training

Appendix 3 - Summary of findings from fieldwork in councils

Appendix 4 - Comparison of policies to reduce the number of young people who are NEET in the UK



# Appendix 1

## Methodology

In undertaking the investigation, the Wales Audit Office team gathered evidence from a variety of sources between May 2013 and March 2014.

### Literature review

We reviewed a number of other reports on reducing the number of young people who are NEET as well as Welsh government documents and supporting papers. Reports that are particularly influential were:

- National Assembly for Wales Enterprise and Learning Committee (2010) Young people not in education, employment or training
- National Assembly for Wales (2013) *Young people not in education, employment or training*, National Assembly Wales Research Paper, September 2013
- Audit Commission (2010) *Against the odds: re-engaging young people in education, employment or training* <http://archive.audit-commission.gov.uk/auditcommission/sitecollectiondocuments/Downloads/20100707-againsttheoddsfull.pdf>
- Ofsted (2010) *Reducing the numbers of young people not in education, employment or training: what works and why* <http://www.ofsted.gov.uk/resources/reducing-numbers-of-young-people-not-education-employment-or-training-what-works-and-why>
- Welsh Government (2010) *A qualitative research study to explore young people's disengagement from learning Social research 04/2010* <http://wales.gov.uk/docs/dcells/publications/100715disengagementreporten.pdf>
- Welsh Government (2011) *A study of approaches to increase the proportion of young people in education, employment or training with a focus on potential or actual efficiency savings*, Efficiency and Innovation Board, New Models of Service Delivery <http://wales.gov.uk/topics/improving-services/pslg/nwp/effectservices/NEET/?lang=en>
- Nelson, J and O'Donnell, L. (2012). *Approaches to Supporting Young People Not in Education, Employment or Training: a Review* (NFER Research Programme: From Education to Employment) Slough, NFER
- Arad Research (2011) *A study of approaches to increase the proportion of young people in education, employment or training with a focus on potential and actual efficiency savings* Efficiency and Innovation Board: new models of service delivery

## Official statistics and other data analysis

We have used a number of data sources in the review:

- The Welsh Government provided statistics on young people who are NEET that underlie its annual publication 'Young people not in education, employment or training'. We were therefore able to provide more detailed analysis than the published figures. This analysis forms the basis of Appendix 2.
- We also examined Welsh Government expenditure data for 2012-13 to identify expenditure on areas related to work to reduce young people who are NEET. This expenditure is generally focused on young people rather than specifically on who are NEET. We were not able to identify specific expenditure on young people who are NEET in most areas.
- We reviewed Welsh Government strategic documents dating back to 2000 about reducing the number of young people who are NEET and also papers relating to the development of the Framework.
- We invited comments from a range of organisations that work with young people who are NEET or at risk of disengaging on the Welsh Government's Framework and also on their experience of barriers to effective working.

## Visits to councils

Team members visited eight councils across Wales<sup>42</sup>:

- Caerphilly
- Cardiff
- Carmarthenshire
- Conwy
- Flintshire
- Rhonda Cynon Taf
- Torfaen
- Vale of Glamorgan

<sup>42</sup> Ceredigion council requested that we review their work with young people who are NEET as part of our programme of assessment work. This took place in October and November 2013 and we refer to some findings in this report.

During these visits we spoke to councillors and senior officials teachers responsible for setting the councils strategic approach to reducing young people who are NEET. We also spoke to other staff responsible for working with young people directly, both those employed by the councils and other service providers.

We also spoke to partners in the local areas including Careers Wales, Department for Work and Pensions, schools and further education college staff and work-based learning providers, to obtain a full picture of services in the area. We spoke to staff from some third-sector projects where these operated in the areas.

We also visited Swansea and Wrexham councils which had been the subject of research in 2011 which identified factors associated with successful implementation. We examined the extent to which the Councils' work with young people who are NEET or at risk of becoming NEET has developed since 2011.

### Other interviews and work

The team has spoken to officials from the Welsh Government with responsibility for youth engagement and other areas of policy including support for learners, work based learning, student finance and the review of qualifications. The team met officials from Careers Wales.

We invited information and comments from third sector organisations with a record of working with disadvantaged and disengaged young people in Wales as well as from the Children's Commissioner for Wales.

We attended two of the Welsh Government's 'Real Conversation' events with employers, learning providers and young people.

We established a reference group for the study. This group informed our methodology, offered suggestions and commented on findings. The reference group comprised:

- Prof. Howard Williamson, University of South Wales
- Richard Parry, former Director of Education, the City and Council of Swansea
- Michael Trickey, Joseph Rowntree Foundation adviser for Wales
- Katy Young, Care and Social Services Inspectorate for Wales
- Jane Taylor and Ged Kerlake, Her Majesty's Inspectorate for Education and Training in Wales, Estyn

# Appendix 2

## Young people not in education, employment or training

The Welsh Government's principal measure of young people who are NEET is reported annually in the Statistical First Release, *Participation of young people in education and the labour market*. This appendix highlights the main findings of that report and information from other sources and research.

In addition the annual measure of young people NEET in Wales, we refer to data from two other key sources:

- The Annual population survey – the survey provides an estimate of the proportion of young people who are NEET. These estimates are updated on a quarterly basis to provide a more timely, if less statistically robust, measure of the proportion NEET than the annual Statistical First Release. The survey contains more detailed information on the characteristics of young people including gender and disability but, because of small numbers, these figures are published as averages over a three-year period.
- Career Wales' data on the destinations of young people – Career Wales collects data on the destinations of all year 11 leavers in October (ie after three months). Data is available on those leaving maintained schools, but not FE institutions, for Year 12 and 13.

### Counting the number of young people who are NEET

There is no universal definition of 'NEET'. Generally, the term refers to young people who are not participating in education, employment or training. For statistical purposes, training encompasses any training activity other than a leisure activity and employment includes any paid work. However, both Career Wales' and Jobs Growth Wales use working definitions of NEET that includes individuals attending education or training for less than 16 hours a week.

The UK Government first used the term 'NEET' in the mid-1990s in relation to 16-18 year olds. At that time 19-24 year olds were classed as unemployed. However the term is now used more widely to include 18-24 year olds. In some European countries, especially those such as Italy where young people commonly finish higher education after age 24, the NEET category can include people up to 29 years.

### Trends in the proportion of young people who are NEET

The number of young people NEET aged 16-18 peaked in 2008 and 2009 at 12.4 per cent of the age group. However, survey data shows that only a small proportion of young people (five per cent) are NEET at age 16 but this proportion rapidly increases so that, by age 18, a fifth of young people are NEET. Moreover, while the proportion of 16 year olds NEET has fallen in recent years, the proportion of 17 year olds who are NEET is little changed and the proportion of 18 year olds who are NEET has increased ([Table 3](#)).

Table 3 – Few 16 year olds are NEET but the proportion NEET increases up to age 21 and remains high

Age	Percentage NEET 2009(Q4)-2011(Q4)	Percentage NEET 2011(Q4)–2013(Q4)	% change
16	6.6	4.7	-29
17	11.8	11.3	-4
18	18.3	21.0	14
19	19.2	18.0	-6
20	21.8	22.5	3
21	24.2	22.7	-6
22	25.4	23.3	-8
23	20.6	22.9	11
24	20.9	21.5	3

Source: Data from the Annual Population Survey, Welsh Government, Young people not in education, employment or training (Year to 31 December 2013) Statistical Bulletin 40/2014



Among 16-18 year olds, men are more likely to be NEET than women: in 2012 (provisional) 12 per cent of young men were NEET compared to eight per cent of young women. The pattern is reversed among 19-24 year olds: in 2012 (provisional) 24 per cent of women were NEET compared to 21 per cent of men. Between 2004 and 2012, the proportion of both young men and women 16-18 year who are NEET has fallen. The picture is different for 19-24 year olds: between 2004 and 2012, the proportion of men NEET almost doubled from 11.9 per cent to 21.5 per cent. The proportion of young women also increased but by much less, rising from 20.5 per cent in 2004 to 24.5 per cent in 2012. It is likely that the proportion of young women NEET is less affected by labour market changes than young men because a greater proportion of women are not available for work because of caring or family responsibilities.

Young people with disabilities are more likely to be NEET than other young people; especially 19-24 year olds<sup>43</sup>. Figures from the Annual Population Survey for 2011-2013 show that 20 per cent of 16-18 year olds with a disability were NEET compared to 11 per cent of other young people. Among 19-24 year olds almost half (46 per cent) of young people with a disability were NEET compared to 19 per cent of other young people.

The proportion of year 11 leavers known to NEET varies between councils across Wales from 1.3 per cent to 4.9 per cent (Table 4). All but one council have seen a fall in the number of year 11 leavers known to be NEET. In some areas, these falls have been significant: in Merthyr Tydfil, Bridgend and Torfaen for example the proportion of 16-18 year olds who are NEET more than halved between 2009 and 2013.

<sup>43</sup> The Annual Population Survey provides data on the number of young people NEET by single year of age and disability status. However, due to the relatively small survey sample size for the 16 to 24 age group, the figures are based on three-year averages.

Table 4 – The proportion of Year 11 leavers from schools in Wales known to be NEET varies across councils in Wales and has fallen in all councils but one from 2009 to 2013

Council	Percentage Year 11 leavers known to be NEET		
	2009	2013	% change
Torfaen	8.2	2.5	-70%
Merthyr Tydfil	4.6	1.9	-59%
Bridgend	7.6	3.7	-51%
Newport	9.1	4.9	-46%
Cardiff	8.9	4.9	-45%
Monmouthshire	5	2.8	-44%
Gwynedd	4.2	2.4	-43%
Ceredigion	2.3	1.3	-43%
Swansea	6.4	3.9	-39%
Neath Port Talbot	7.1	4.4	-38%
Wrexham	5.0	3.2	-36%
Vale of Glamorgan	5.6	3.8	-32%
Blaenau Gwent	6.6	4.6	-30%
Isle of Anglesey	5.2	3.7	-29%
Pembrokeshire	4.8	3.4	-29%
Conwy	4.8	3.6	-25%
Carmarthenshire	4.0	3.0	-25%
Rhondda Cynon Taff	4.9	4.1	-16%
Caerphilly	5.0	4.4	-12%
Denbighshire	4.4	4.1	-7%
Flintshire	3.7	3.6	-3%
Powys	2.1	2.7	29%
<b>Wales</b>	<b>5.7</b>	<b>3.7</b>	<b>-35%</b>

Source: Careers Wales, Pupil Destinations from Schools in Wales Survey

## Causes of disengagement

The Annual Population Survey provided more detailed information on the reasons why young people 19-24 are NEET (Table 5). Almost 60 per cent of 19-24 year olds and 40 per cent of 16-18 year olds who are NEET, were considered 'economically inactive' rather than 'unemployed', mainly due to their family or caring responsibilities or because long-term ill health or disability that prevented them engaging in education, training or employment. More than half (56 per cent) of 19-24 year old women who are NEET are not working because they have caring or family responsibilities<sup>44</sup>. Other research has found that the proportion of young people who are inactive because of ill-health or disability in Wales is twice the England and Wales average: four local authorities (Neath Port Talbot, Bridgend, Blaenau Gwent and Torfaen) have the highest rates of inactivity because of ill-health or disability in England and Wales<sup>45</sup>.

Table 5 – Analysis suggests that 40 per cent of 16-18 year old NEET and almost 60 per cent of 19-24 year NEET are economically inactive because of caring responsibilities, illness or other reasons

	16-18 year olds (% all NEET)	19-24 year olds (% all NEET)
Unemployed	60	43
Economically inactive	40	57
Ill health or disability	8	16
Family or other caring responsibilities	10	31
Other	23	9

Source: Analysis of Annual Population Survey, Three-year average 2008-2010 reported in Welsh Government (2012) *Further Analysis of data related to Young People Not in Education, Employment or Training (NEET)* Tables 5 and 6

## Destinations of young people after year 11

There has been a long-term increase in the proportion of young people continuing in education after 16 which has continued in recent years. In 2013, 86 per cent entered full-time education compared to 74 per cent in 2004. In 2013, a further 6.5 per cent entered some form of work-based learning. Very few entered employment, a smaller proportion than in 2004 (Table 6).

44 Welsh Government (2012) *Further Analysis of data related to Young People Not in Education, Employment or Training (NEET)*, Statistical Article March 2012, Tables 5, 6, 7, and 8.

45 Office of National Statistics (2014) *Young people in the Labour Market 2014*

Table 6 – An increasingly large majority of young people continue in education after year 11

	2003 % Year 11 leavers	2013 % Year 11 leavers
Continuing in full-time education <sup>1</sup>	74.4	86.4
Continuing in part-time education (less than 16 hours a week) <sup>2</sup>	-	0.4
Work Based Learning <sup>3</sup>	7.6	6.5
Employed	6.5	1.4
Known not to be in Education, Training or Employment	7.0	3.7
Known to have left Wales	1.9	0.8
Destination is not known	2.6	0.8

Notes:

- 1 Includes education in school, further education colleges and independent schools.
- 2 Those studying part-time (less than 16 hours a week) were previously included as NEET.
- 3 Includes all Government supported work-based training without employed status, Modern Apprenticeships and other Government-supported training of employees.

Source: *Careers Wales, Pupil Destinations from Schools in Wales Survey 2013.*

Young people are often very mobile, some switching education and training providers several times, perhaps because their aspirations change or they regret their initial choice. Currently, statistics on the proportion of young people who are NEET record their destination in October, three months after the end of compulsory education. However we know that sizeable proportions of young people subsequently change their choices and may drop out of education or training courses. Looking at further education, the Welsh Government collects figures on the proportion of learning activities withdrawn (ie, ended without being completed) in further education institutions<sup>46</sup>. In 2012, 15.4 per cent of the further education learning activities undertaken by learners aged 16-19 that were expected to end in 2011/12 were withdrawn (4.5 per cent ended within eight weeks of starting and 10.9 per cent subsequently). The proportion of learning activities withdrawn varied between institutions from 10 per cent to 22 per cent. Further Education Institutions have worked to improve their retention rates over time. Good careers guidance and advice plays a part in helping young people make suitable initial choices to ease young people's transition towards further education, training or employment. However further work is required to understand the variation between colleges and to increase retention rates.

<sup>46</sup> These figures do not equate to the number of learners as individuals often undertake several activities. They exclude learners transferring between activities. Comparable information is not available for schools.

## Appendix 3

# Summary of findings from fieldwork in councils

For a fuller report on the findings please see the accompanying document *Reducing the number of young people who are not in education, employment or training – findings from a review of councils in Wales* published with this report.

This study was based on a range of work in local government:

- we reviewed councils' work to reduce the numbers of young people NEET and considered if they are well placed to enable better outcomes for young people who are, or are at risk of becoming, NEET;
- we considered the latest data and key strategic documents<sup>47</sup> of all 22 councils in Wales as well as the outputs of a self-assessment exercise that councils undertook for the Welsh Government in Spring 2013;
- we visited eight councils<sup>48</sup> between May and July 2013 and spoke to councillors, officials and partner organisations as well as reviewing a range of council documents, organisational plans and strategies;
- we undertook work in Swansea and Wrexham Councils to follow-up the findings of research conducted in 2011 to examine whether good practice identified had been sustainable; and
- we also reviewed the Welsh Government's *Youth Engagement and Progression Framework and Implementation Plan* (the Framework) published in October 2013.

We concluded that **councils are clearly committed to further reducing the proportion of young people who are NEET, especially those aged 16-18, but planning is variable and councils have made less progress in understanding the costs or evaluating the effectiveness of interventions.**

**Councils are clearly committed to improving outcomes for young people and understand the social costs of not doing so, but their understanding of the financial cost of achieving their goals is weak**

Councils have a clear commitment to reducing the numbers of young people who are NEET, especially for young people aged 16-18. Councils welcomed the publication of the Welsh Government's Framework and the Welsh Government's general approach.

Generally councils have a good understanding of the social and economic impact of young people becoming NEET, including poorer health outcomes, crime and antisocial behaviour. However, whilst most plans note the financial cost to society of a high NEET population, plans rarely make reference to the cost of achieving the council's objectives including the opportunity costs or calculate the costs to the council itself or their partners.

<sup>47</sup> We reviewed a range of strategic documents including councils' Improvement Plans, Single Integrated Plans, Strategic Equality Plans and their NEET Strategies where available.

<sup>48</sup> Fieldwork took place in Caerphilly, Cardiff, Vale of Glamorgan, Carmarthenshire, Conwy, Rhondda Cynon Taf, Torfaen and Flintshire Councils between May and July 2013. Fieldwork was also undertaken in Ceredigion County Council in Autumn 2013.

**Despite a relatively good evidence base, the quality of council's strategic planning is variable and accountability arrangements are sometimes unclear**

Council planning is supported by a good and improving evidence base on the needs and whereabouts of young people who are NEET or at risk of becoming so and the range of provision available for them. However, some councils lack detail on the local profile of young people who are NEET. Some are developing processes to track the destinations of young people in Year 11 although, for some, difficulties in sharing data between organisations are a barrier to effective tracking, particularly for young people over 19. Councils are developing a variety of approaches with schools to identify pupils at risk of becoming NEET but few have evaluated the effectiveness of their approaches.

Councils have a strategic responsibility for co-ordinating and developing local services to reduce the number of young people who are NEET. But we found that some councils and their partners were unclear about the councils' responsibilities, especially for young people aged 19-24. Many councils have not set quantifiable targets and performance measures against which they can monitor progress. In some councils, the arrangements for holding partners to account are unclear.

The degree to which councils include partners in planning varies. The ability of councils to hold all partners and providers to account was sometimes limited by the large numbers of providers working with young people who are, or are at risk of becoming, NEET and by a lack of information from some providers on the outcomes of their work. The relatively rapid turnover in some providers has implications for the development of local partnerships, which may take some time to develop into effective working relationships.

Dependence on short term grants and contracts often leads to provision that is not necessarily related to locally identified needs. Some councils expressed concerns that the level of current provision is not sustainable in the face of cuts in grants and EU funding.

**Although outcomes for young people have improved, a lack of routine evaluation means that the contribution of individual interventions is often unclear, the contribution of partners is variable and the views of young people have relatively little influence on councils' work**

Councils do not have a common approach to evaluating the large number of projects and programmes provided by organisations working with young people in their areas, so it is difficult to assess effectiveness and value for money. Councils have limited evidence on the effectiveness of interventions for the target group in their area. Evaluation is not undertaken routinely and some councils had difficulty obtaining information on the outcomes of programmes and interventions from partners.

Councils have worked with schools, further education colleges, work based learning providers and other partners to identify and support young people at risk of becoming NEET. However, tension between partners who are in competition for learners was reported as a barrier to effective joint working.

Generally, councils reported difficulty engaging with employers to develop employment and training opportunities, including apprenticeships and work experience. There were, however, some examples of positive work with local businesses and where councils had developed their own apprenticeship programmes targeted at young people.

Some councils have developed innovative ways to use the internet and social media to engage with and contact young people. We found examples of councils consulting young people about the services they use and also where councils have taken additional steps to engage with hard to reach groups of young people. However, all councils recognised that they could do more to incorporate young people's views more systematically into service planning and delivery.

## Recommendations

The Welsh Government's Framework and Implementation Plan requires councils to map services, establish early identification arrangements, establish lead worker provision and to develop and discuss their plans for reducing NEET with the Welsh Government. In addition, councils should:

- R1 Together with partners, map and review expenditure on NEET services to better understand resources required to deliver the Framework.
- R2 Clarify their strategic approach to reducing the proportion of 19-24 year olds who are NEET as well as their approach for 16-18 year olds.
- R3 Focus on young people with significant or multiple barriers to engaging in employment, education or employment rather than those who are more likely to re-engage without significant additional support.
- R4 Develop their objectives and targets for reducing the numbers of young people who are NEET so that they can be held to account and their work is aligned with the Welsh Government's targets and objectives.
- R5 Ensure that elected members and partners fully understand that councils have clear responsibility for leading and coordinating youth services for 16-24 year olds.
- R6 Improve the evaluation of the effectiveness and relative value for money of the services and interventions in their area intended to reduce the numbers of young people who are NEET.

## Appendix 4

# Comparison of policies to reduce the number of young people who are NEET in the UK

The Welsh Government provided a comparison of rates of young people who are NEET for each country within the UK based on data from the Annual Population Survey (Table 7). This showed that the percentage of 16-18 year olds who are NEET in Wales in 2013 was higher than the UK average although Scotland has a higher proportion NEET at this age. The proportion of 19-24 year olds who are NEET is also above the UK average.

Table 7 – Estimates of the proportion of young people NEET show that the proportion of young people who are NEET in Wales is above the UK average in 2013

	16-18 year olds % NEET	19-24 year olds % NEET
Wales	11.8	20.3
Scotland	12.5	17.5
Northern Ireland	6.1 <sup>1</sup>	20.5
England	9.4	19.0
UK	9.7	19.0

Note:

<sup>1</sup> Statistics are classed as low quality as they are based on less than 40 responses

Source: Annual population survey, presented in Welsh Government Statistical Bulletin (2014) Young people not in education, employment or training (Year to 31 December 2013) SB 41/2014, Table 4.

Strategies across the UK and Ireland aimed at reducing the number of young people NEET have a number of common features<sup>49</sup>:

- Include early preventative intervention and additional support while at school to prevent a young person becoming NEET.
- Distinguish between those young people who are NEET with or without barriers to engagement.
- Recognise that young people who are NEET are not a homogenous group and that disengagement from education, employment and training is often linked to other risk factors for social exclusion. Policy responses need to reflect the range of risk factors that young people at risk of being NEET experience.
- Inter-departmental policy-making. Often policies for reducing the number of young people NEET are offered on a localised basis which offers opportunities to share experience and disseminate good practice.
- Develop support focussed on the transition points that young people face. At each transition, young people risk failing to make a successful move to the next stage (eg, from primary to secondary school or at the end of compulsory education).

<sup>49</sup> Department for Employment and Learning, Northern Ireland, *A Scoping Study of those Young People Not in Education, Employment or Training in Northern Ireland*, 2010.



## UK context

Some of the most important policy levers for influencing rates of young people in employment are reserved for the Westminster Government including UK fiscal policy and welfare policy, benefits and reform. These areas particularly affect young people aged 18 and over and are complemented, but not replaced, by Welsh Government initiatives such as Jobs Growth Wales<sup>50</sup>:

- i **Work programme** – is the UK Government’s policy for transferring people from welfare to work. Introduced in 2011, it focuses on people who are long term unemployed or at risk of being so. People are referred to a range of private, public and third sector organisations (known as providers) that are paid primarily on results. In Wales and Scotland, people on the Work Programme are ineligible for other ESF-funded training although in England, Work Programme participants are able to participate in the range of ESF-funded training opportunities.
- ii **The Youth Contract** – is a £1 billion programme aiming to help young people 18-24 find employment. The Youth Contract includes support for businesses employing an 18-24 year old who has been unemployed for at least six months through Jobcentre Plus or the Work Programme. Businesses receive a wage incentive up to £2,275 per employee. The Youth Contract also offers work experience to young people.

UK economic growth has a strong impact on youth unemployment among 19-24 year olds than 16-18 year olds as very few 16-18 year olds enter employment. Since 2008, the proportion of 19-24 year olds who are NEET rose from 16.9 per cent in quarter 3 of 2008 to 22 per cent by the end of 2009 and has not fallen below 20 per cent since. The influence of general economic conditions on youth employment is probably why the Welsh Government set a target for reducing the proportion NEET among 19-24 year olds relative to the UK position as a whole.

Other nations of the UK have applied different approaches to reducing the number of young people not in employment, education or training. However, they share some common characteristics including cross-governmental approaches; guaranteed places in education or training for young people (aged 16-17 in England and Northern Ireland, and 16-19 in Scotland); provision of apprenticeships; and financial incentives for employers providing work placements.

## England

In England, responsibility for reducing the number of young people who are NEET is shared between the Department for Education, the Department for Business, Innovation and Skills and the Department for Work and Pensions. However, there is an overlap in responsibility for young people aged 18-19 between Connexions (overseen by the Department for Education) and the Department for Work and Pensions. A National Careers Service was set up in 2012 to provide advice and guidance to all ages.

<sup>50</sup> The Jobs Growth Wales programme started in April 2012. It provides unemployed young people aged 16-24, with a job opportunity for a six-month period. Participants are paid at or above the national minimum wage for a minimum of 25 hours per week. Under the terms of the Programme, young people will be employed for the duration of the programme and the jobs created must be additional to, and not replace, positions that would otherwise be filled. Young people can move straight into a Jobs Growth Wales opportunity from further education, work based learning or apprenticeships. People participating in the Work Programme are not eligible for opportunities through Jobs Growth Wales.

The UK government has increased the age to which all young people in England must continue in education, training or employment with training, requiring them to continue until the end of the academic year in which they turn 17 from 2013 and until their 18th birthday from 2015. This is supported by the 'September' and 'January Guarantee' that Connexions contact all 16 and 17 year olds to offer a place in education or training and by the National Apprenticeship Service. Councils in England have responsibility for commissioning education provision for 16-19 year olds using the Working Neighbourhoods Fund and European Social Fund.

### Scotland

The Scottish Government appointed the UK's first dedicated Youth Employment Minister in 2011 with the responsibility for tackling youth unemployment and delivering the government's commitment that all 16-19 year olds in Scotland will be offered a learning or training place.

Modern Apprenticeships are an important element of the Scottish Government's response to youth unemployment. Modern Apprenticeships provide industry-specific training opportunities post 16. There are also a number of training programmes including 'Get Ready for Work'; 'Training for Work' and financial incentives for employers to provide flexible training opportunities. Community Jobs Scotland provides paid work experience in the third sector for unemployed 16-19 year olds who are not accessing alternative government support.

### Northern Ireland

The Northern Ireland Executive launched its NEET Strategy 'Pathways to Success' in 2012. The Strategy focuses on prevention for young people under 16 beginning with early years support; education or training provision for NEET aged 16-18; and opportunities for young unemployed people aged 18-24.

Support for 16-18 year olds includes 'Training for Success' which offers a guaranteed training place for every 16-17 year old NEET; apprenticeship programmes; a training allowance; free of charge essential skills qualifications and a range of community and voluntary sector programmes. Provision for 18-24 year olds includes the 'Graduation Acceleration Programme' to assist unemployed graduates; financial incentives for employers and a structured timetable of support for NEET starting from the first weeks of a benefit claim. The NEET Strategy describes a range of other measures to support NEET initiatives including childcare provision; the creation of employment opportunities through social clauses in public sector procurement; and an Innovation Fund to test new approaches.



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