



## Lost in transition:

The urgent need to help young school leavers into employment

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### Introduction

As Britain begins to emerge from the worst recession for over 50 years, our newspapers remain full of alarming stories of soaring public debt, businesses closing and the ever-present spectre of unemployment.

Unemployed 16 and 17 year olds are, in many ways, the hidden victims of this recession. Latest figures show that just over two-thirds (67 per cent) of the 124,000 16 and 17 year olds who are not in education or training are unemployed<sup>1</sup>. This is a substantial rise since the Credit Crunch hit. Many of these young people left education because they were motivated to earn a wage and support themselves, but with few skills or qualifications and little or no work experience, they find it impossible to get a job. While the Government have made great efforts to help unemployed 18 to 24 year olds, little attention has been paid to the many younger school leavers who want to work, rather than return to the classroom.

Government initiatives aimed at this age group have focused mainly on the long-term goal of increasing participation in education and training. By 2013, young people will be required to carry on learning until they are 17, rising to 18 in 2015. Barnardo's supported this historic programme of reform, as it has the potential to improve the skills, job prospects and life-chances of disadvantaged young people because too many currently leave school or college at 16 or 17, only to become trapped in unemployment.

Raising the leaving age should not however mean ignoring the urgent need for targeted employment initiatives to help these young people. Increased participation – as defined by the Education Skills Act 2008 – has never just been about school and college. It must involve a range of provision, including work-based learning and jobs with training for young people who wish to work and learn in the workplace, rather than in the classroom. In any case, the spiralling

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<sup>1</sup> NEET Statistics - Quarterly Brief, February 2010 – available on line at <http://www.dcsf.gov.uk/rsgateway/DB/STR/d000913/NEETQBO42009final.pdf>

number of unemployed 16 and 17-year olds cannot wait until 2015 for Government initiatives to help them into a job with training – they need our help now!

This paper highlights the difficulties that unemployed 16 and 17-year olds face in the current economic climate and what more the Government, local services, charities and employers should be doing to support this group. It draws extensively on Barnardo's research and practice, in particular, what young people have told us about their ambitions and the kind of support they need to achieve them. It complements on-going efforts at local level to secure more work placements and training opportunities for young people in Barnardo's vocational training and youth support services across the UK.<sup>2</sup>

### **Why focus on employment initiatives for 16 and 17 year olds?**

#### **The recession and 16/17 year olds – the facts**

- In the final quarter of 2009, 83,000 of the 124,000 16/17 year olds who were not in education or training were also unemployed: 67% of the group.
- Official levels of unemployment amongst the 16/17 year old age group are now at the same levels as they were at the height of the recession of the early 1980s.
- There has also been a worrying growth in long-term unemployment amongst this age group. During Sept – Nov 2009, the number out of work for 6-12 months was up 37% on the same quarter last year, while the number out of work for over 12 months was up 93%.

Sources: *NEET Statistics - Quarterly Brief February 2010*, *ONS Labour Market Statistics bulletin, January 2010*

**16 and 17 year olds are being hit hard by the recession.** The percentage of young people who are not in education and training who have also failed to find employment has grown significantly in recent years. At the end of 2007, 54 per cent of young people not in education or training were unemployed. By the end of 2008 this had risen to 60 per cent.

**Long periods of unemployment at 16 or 17 damage future job prospects.** Having a generation of young people endure long periods of unemployment before they have even begun their career is more than just a short-term waste of talent, it also risks having a negative impact on their job prospects and the wider economy for years to come.

Experience from previous recessions shows that long spells of unemployment can have a legacy on a young person's earning

potential. Youth unemployment of more than six months has been shown to leave an enduring 'wage scar' equivalent to a reduction in wages of 23% at age 33 and 15% at age 42<sup>3</sup>. This increased chance of lower wages will not only affect the current generation of young people, but also their families. The Government has pledged to end child poverty by 2020, yet a failure to tackle soaring youth unemployment now is likely to result in more children growing up in poverty – as today's unsupported 16 and 17 year olds become tomorrow's unemployed parents.

<sup>2</sup> In Autumn 2009, Barnardo's published a leaflet for employers (*Opening doors – helping disadvantaged young people to make the transition to work*) highlighting the benefits of providing work placements and employment opportunities for young people, and explaining how they can work in partnership with Barnardo's to extend such vital opportunities to young people in their local community.

<sup>3</sup> Gregg, P and Tominey, E (2004) *The Wage Scar from Youth Unemployment*, CMPO Working Paper Series No. 04/097. These figures assume no further periods of unemployment.

**The Government have struggled to reverse the long-term decline in work-based training – in spite of a welcome drive to increase apprenticeships.** We continue to have historically low levels of opportunities for young people to enter the workforce and train on-the-job, particularly for 16 to 17 year olds. Despite a high profile Government campaign which has contributed to a healthy overall growth rate of 19% in level 2 apprenticeship starts during 2007/08, the number of 16-18 year olds embarking on this route grew by less than 2%, while completions fell by 6%.<sup>4</sup> This compares to participation rates in the 1960s of around a third of all male school leavers. Increasing the number of apprenticeships will be challenging in the current economic climate, as many employers have had to lay off experienced workers.

**The Apprenticeships Act 2009<sup>5</sup> closes down a successful route into apprenticeships for disadvantaged young people.** Work-based programme-led apprenticeships (WB PLAs) currently enable young people who are well suited to apprenticeship training, but not attractive to employers because of a troubled background, to embark on an apprenticeship brokered and supported by a charitable training provider like Barnardo's and Rathbone. These apprentices follow the same programme as other apprentices: they do the same work, spend as much time in the workplace and work towards the same qualifications, certified to the same standards - there is no compromise on quality. The only difference is that they are not paid (they are supported through EMA<sup>6</sup>). This means there is less cost and risk for the employer, so young people are given a chance to show what they are capable of, without needing to be employed upfront. The vast majority progress to employed apprenticeships, with success rates of around 75%.<sup>7</sup>

Under the new law, WB PLAs will no longer be funded. They may be replaced by 'pre-apprenticeship training' lasting up to six months, in specified circumstances e.g. available only to certain learners, which have yet to be defined by regulations. This is a retrograde step, which Barnardo's fears will deny access to apprenticeships to thousands of disadvantaged young people – undermining progress towards Government targets to narrow the achievement gap and increase staying-on rates post-16.

### **Why do young people end up unemployed at 16 or 17?**

*"The work had no relation to what we were doing. There were a lot of worksheets. I would have preferred more practical stuff. And more hands-on creative stuff. There's no point just writing about stuff and not actually doing it."*

Young carer, 18

There are many reasons why a young school leaver may find themselves unemployed and individual stories – much like our own lives – are often complex. However, when we look at the so-called 'NEET' population (young people aged 16-18 not in education, employment or training) some common themes emerge:

**Disengagement from school** – Barnardo's recently carried out research with young people who had

<sup>4</sup> The Data Service, June 2009, SFR-03 (table 5.1); apprenticeship data is presented in an age band covering 16-18 year olds inclusive.

<sup>5</sup> Apprenticeships, Skills, Children and Learning Act 2009

<sup>6</sup> Education maintenance allowance, a means-tested payment of up to £30 a week.

<sup>7</sup> Estimate. Success rates are not monitored nationally, but a Ofsted report in 2008 noted progression rates of between 60% to 100% (Ofsted, 2008, *The impact of programme-led apprenticeships*, p.13).

left school and were (or had recently been) 'NEET'<sup>8</sup>. A key theme to emerge was overwhelmingly poor experiences of school, leaving the young people with strong feelings of alienation, low self-confidence and few qualifications. When asked what would have been better, most said they would have preferred more practical, hands-on learning, with more direct relevance to their career aspirations. They complained that school was boring, they had difficult relationships with teachers and peers (with many accounts of bullying), and they often had the feeling that school was not for them.

**Lack of suitable jobs or training opportunities locally** - There has always been a proportion of young people who left school early, preferring to work or train in the workplace instead of staying on to sit A levels. 40 or 50 years ago approximately 80% of non-grammar school pupils left school at 15 or 16 with no qualifications<sup>9</sup>. However, for that generation of school leavers there were far more options for unskilled work in industry and mining, and large numbers of apprenticeships which allowed them to learn a skill on-the-job, often with day release to a technical college. Today, such opportunities have greatly receded. Traditional low-skilled jobs have largely been replaced by growth in the service sector, often in different areas of the country and with higher entry qualifications. The resulting pockets of localised structural unemployment have had a disproportionate effect on young job seekers<sup>10</sup>. Apprenticeships remain highly competitive and beyond the reach of many disadvantaged young people who – for a wide variety of reasons – often do not achieve all they are capable of in school.

**Personal problems and difficult home circumstances create barriers to learning and employment** - Barnardo's "Second Chances" research revealed that young people who drop out of school early often have a range of personal problems, which undermine their ability to cope in school and make finding employment difficult. Barriers experienced by young people using Barnardo's vocational training and support services include learning disabilities, teenage parenthood, poor physical or mental health, and caring for a sick relative. Poor living conditions and homelessness added complications for young people who were living independently. Some of our research was conducted in "bed and breakfast land" neighbourhoods, with a transient population of young people housed in inappropriate and insecure accommodation, making it difficult for them to commit to regular attendance on a course, let alone hold down a job.

### **What helps unemployed young people to get back on track? – The Barnardo's experience**

*"Education and training is the centre of every child's future."*  
Thomas Barnardo

Barnardo's has extensive experience of helping unemployed 16 and 17 year olds to gain qualifications and find work. We have been helping young people take their first steps towards sustainable employment since the late 1800s, when Dr Thomas Barnardo founded a number of training centres to give young people the skills they would need to enter trades such as carpentry and leather-making.

Today, working in partnership with local employers, schools, colleges, and other charities, we train and support over 2,500 young people every year. We work across the UK in a range of

<sup>8</sup> Barnardo's, March 2009, *Second Chances: Re-engaging young people in education and training*

<sup>9</sup> Hayward G, Wilde S, Williams R, October 2008, *Rathbone /Nuffield Review Engaging Youth Enquiry*

<sup>10</sup> *Ibid*

sectors including construction-related trades, catering, vehicle maintenance, business administration, horticulture, retail, warehousing, and hair and beauty therapy.

**Key characteristics of our services which successfully engage 'hard-to-reach' young people**

- A high ratio of staff to young people to enable one-to-one support from keyworkers and small group activities
- Outreach capacity to engage young people and sustain their participation
- Flexibility e.g. allowing more time to complete modules and occasional breaks in participation if crises occur
- Informal learning opportunities to develop new skills and build confidence
- Access to targeted support for young people who face specific barriers.

Source: Barnardo's, 2009, *Second Chances – re-engaging young people in education and training*

Barnardo's provides a wide range of services to support young people through the transition back to education, training or into work, where necessary offering intensive support to meet the needs of young people. Key to their success is a strongly personalised approach, working flexibly with each young person and 'sticking with them', even when difficulties occur.

Central to our approach is a commitment to building on young people's strengths and interests, helping them to identify and take steps towards their career ambitions. Opportunities to spend time in a real workplace motivates many young people and we often find that those who have struggled with the rules and restrictions in the school environment rapidly come to understand the need to be punctual, reliable and presentable to

get – and keep – a job.

The fact is that some young people learn better by doing – as opposed to theoretical, classroom-based learning. Practical, work-based learning alongside experienced trades people

**How on the job training can work - Ciaran's story**

*"I joined Dr B's kitchen in July 2007 after leaving school. I had always wanted to work as a chef and went on work experience from school to a local restaurant, I liked it but they told me I would never be a chef. I was very disappointed but decided to try another work experience at Dr B's Kitchen. They really encouraged me and I started full time when I left school. It was hard work and the staff really helped me understand a lot of things, not just about food, I learned about being a good team member, being reliable, keeping myself safe, improving my reading and writing; there was so much more to learn than I thought."*

*It's hard to believe that just 2 years ago I was worrying about leaving school and here I am working as a Commis Chef for the Botanic Inns Group at The Northern Whig, where I can continue training. I would like to thank Dr B's for the time and patience in helping me follow my dream career.*

and being treated like an adult can transform the motivation and aspirations of young people who have struggled in school, helping them to achieve more than they ever thought they were capable of.

**Call to action!**

Following the Education and Skills Act 2008, there has been a great deal of effort to broaden the learning offer – with new diplomas, more apprenticeships and a foundation learning tier – and

overhauling the planning and delivery of 14-19 education and training. There have also been a variety of pilots on re-engaging young people in learning – learning agreements, activity agreements and entry to learning. All this is welcome, but the fact is that not all 16 year olds want to stay on in education. For many, the decision to enter the workplace and train there is a positive choice, that will play to their strengths better than a further two years in the classroom. Yet a critical element appears to be missing from Government policy: the employment pathway. Let us not forget that a job with training will remain an option for 16 and 17 year olds when the new law comes into force, from 2013.

There is also the urgent reality that thousands of 16 and 17 year olds are unemployed now, yet in contrast to the Government initiatives (Future Jobs Fund, Young Person's Guarantee, Flexible New Deal, Golden Hellos ...) to help 18 to 24 year olds find jobs, there appear to be no employment initiatives targeted at younger school leavers.

Over the last year, Barnardo's has been calling on the Government to do more to help unemployed 16 and 17 year olds. We welcome recent commitments to encourage better co-operation between JobCentre Plus, Connexions and the National Apprenticeship Service to help younger school leavers who want to work or train in the workplace; and to introduce a £2,500 incentive payment for employers who employ a 16-17 year old on an apprenticeship scheme<sup>11</sup>. Beyond this, Barnardo's believes the following actions would help to improve opportunities for the thousands of young school leavers who are already trapped in unemployment.

### **Policy recommendations**

#### **1. Develop a strategy to promote greater collaboration between local employers and training providers, with targeted funding and practical measures to drive an expansion in work and training opportunities for 16-17 year olds.**

The challenging economic climate means that many employers are finding it difficult to maintain their workforce, and the cost and bureaucracy associated with taking on a young person may represent more of an investment than they are prepared to make. Government urgently needs to sit down with employers and training providers to put together a package of measures to drive an expansion in work and training opportunities for young school leavers. This could include exploring how to reduce the bureaucratic demands and costs on employers; promoting Group Training Associations to make it easier for SMEs<sup>12</sup> to taken on trainees; requiring public sector employers and contractors to take on more young trainees; training subsidies; and critically, targeted funding and/or support to ease the transition into work for young people with additional needs.

#### **2. Ensure that the successor to work-based programme-led apprenticeships (WB PLA) builds on the best of this model to ensure an access route into apprenticeships for young people facing barriers.**

The ASCL Act 2009<sup>13</sup> means that work-based programme-led apprenticeships will probably be replaced by 'pre-apprenticeships' of up to six months, in specified circumstances only.

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<sup>11</sup> DWP, 2009, *Building Britain's recovery – towards full employment* available on line at <http://www.dwp.gov.uk/policy/welfare-reform/legislation-and-key-documents/building-britains-recovery/>

<sup>12</sup> SME = small and medium sized enterprises.

<sup>13</sup> Apprenticeships, Skills, Children and Learning Bill. Barnardo's Bill briefings are available by email from [Alison.worsley@barnardos.org.uk](mailto:Alison.worsley@barnardos.org.uk).

Barnardo's deeply regrets this move, which closes down a successful route into employed apprenticeships for disadvantaged young people, at a time when the Government is expecting more young people to stay in education or training until 18. It is critical that:

- new regulations defining 'pre-apprenticeships' (expected in July) build on the best of VVB PLAs to ensure that young people who are well suited to apprenticeship training but face barriers e.g. because of a disrupted education, disability, caring responsibilities or a criminal record, are not denied access to an apprenticeship
- the planned expansion in apprenticeships for 16-18 widens opportunities for under-represented groups, including disadvantaged and vulnerable young people (as above) – we would like to see clear commitments to widening access in national policy
- there is a credible work-based learning pathway at level 2 for young people who cannot get an apprenticeship.

**3. Extend eligibility for DWP initiatives to reduce youth unemployment, currently targeted at 18-24 year olds, as a priority for 16 and 17 year olds who have already experienced 6 months or more 'NEET'.**

Barnardo's analysis of NEET data demonstrates that younger school leavers are much more likely to become trapped in employment than 18-24 year olds – with an unemployment rate of 67 per cent among 16 and 17 year olds not in education or training. In addition, Labour Market Survey data point to a worrying rise in long term unemployment amongst this age group<sup>14</sup>. We know from research in previous recessions the lasting damage this can do to future job prospects and self-confidence. It is critical that we help these young people, who are overwhelmingly from disadvantaged backgrounds, to make the transition to work before they lose all hope of anything more than a life on benefits.

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<sup>14</sup> NEET Statistics - Quarterly Brief (Feb 2010) and ONS Labour Market Statistics, Jan 2010.