



WALES **AUDIT** OFFICE

SWYDDFA **ARCHWILIO** CYMRU

Enterprise & Business Committee Inquiry on Assisting Young People into Work – **Summary of evidence from the Auditor General’s reviews of Young People not in Education, Employment and Training**

To assist the Enterprise and Business Committee in its inquiry into ‘Assisting young people into work’ we have summarised the findings from the Auditor General’s value for money review of *Young people not in education, employment or training* and the improvement study of related work in councils published at the same time (July 2014)

The findings are summarised against the terms of reference and key issues for the inquiry.

Main conclusions from the Auditor General's work

In July 2014, the Auditor General for Wales published a value for money study report on [Young People not in Education, Employment or Training](#) and a [Review of related work in local councils](#).

The Auditor General concluded that the Welsh Government is well placed to help to reduce the numbers of 16-18 year olds who are Not in Education, Employment or Training (NEET) but is less well placed to reduce the number of 19-24 year olds who are NEET and determine value for money of its actions in this area. We came to this conclusion because:

- 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.
- If implemented successfully, the Welsh Government's Youth Engagement and Progression Framework and Implementation Plan (the Framework) 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 especially in relation to 19-24 year olds.
- 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.

From the work in local authorities, the Auditor General concluded that councils are clearly committed to further reducing the number of young people NEET, especially at age 16-18, but that planning is variable and councils have made less progress understanding the costs or evaluating the effectiveness of the provision necessary to reach their goals.

Summary of findings related to the Committee's terms of reference

- i. *What support is most effective and what are the main barriers that face young people trying to enter the labour market?*

The study found that the six key elements of the Framework were based on sound evidence and, if implemented successfully, should be effective and help reduce numbers of young people who are NEET aged 16-18 (*Main report paragraphs 1.9-1.12 and Part 2*). The elements are:

- Identifying young people most at risk of disengagement.
- Better brokerage and coordination of support.
- Stronger tracking and transitions of young people through the system.
- Ensuring provision meets the needs of young people.
- Strengthening employability skills and opportunities for employment.
- Greater accountability for better outcomes for young people.

There is some evidence that the effective tracking of young people at risk of becoming NEET (e.g. at Wrexham) and improved coordination of support (e.g. at Swansea) have contributed to reducing numbers of young people who are NEET. However, there was less evidence about the relative effectiveness of different services and interventions (*Para 1.12*).

The study did not identify the main barriers to employment but noted the range of triggers associated with young people being NEET (*Box 2, page 20*). These were included in the *Young People Engagement and Employment Review and Action Plan* published by the Welsh Government in 2010 and include:

- Educational factors including low attendance and attainment;
- Socio-economic factors including those from low income families;
- Parental behaviour including lack of involvement in child's education;
- Young people's behaviours and attitudes; and
- Family and personal circumstances including looked after children, teenage pregnancy, young offenders and homelessness.

ii. *To what extent is the Welsh Government's strategy for young people who are not in education, employment or training effective and value for money?*

The report notes that some projects are subject to evaluation but the study was unable to assess the value for money of the strategy because the Welsh Government and partners did not have a sufficiently clear understanding of the expenditure to support the strategy and there was insufficient evaluation of interventions and services to assess their effectiveness (*Para 1.17*).

iii. *What progress has been made to date on the Youth Engagement and Progression Framework Implementation Plan?*

The study was undertaken during the development and publication of the Framework. It does not cover progress since then.

iv. *How effective is the strategic role of local authorities and other key stakeholders including the Careers Service, the Youth Service, and the education regional consortia?*

The study found that the quality of strategic planning by local authorities is variable and the local engagement with partners is also variable (*Councils: Part 2*). In some areas, the Careers Service is centrally involved in initiatives and is effectively engaged with partners. The Careers Service has a key role in implementing data and tracking systems.

The Framework sets out a key role for youth services as providers of lead workers for young people in greatest need. The review of councils found inconsistent understanding of the responsibility of councils, as set out in *Extending Entitlement: Supporting Young People in Wales (2000)*, for leading and co-ordinating youth services for 16 to 24 year olds that will encourage, enable or assist young persons (directly or indirectly) to participate effectively in education and training, take advantage of opportunities for employment; and participate effectively and responsibly in the life of their communities (*Councils: para 2.16*).

The review of councils found that 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 (*Councils: paras 3.3-3.9*).

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 (*Councils: paras 3.11-3.12*).

The Department of Work and Pensions is a significant partner especially in policies for 19-24 years. We found examples of good and improving working between local authorities and the DWP locally. We concluded that 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 is taking steps to improve communication with the UK Government through working groups at official level (*Paras 2.22-2.24*).

- v. *The extent of discrimination and its impact on the recruitment of young people;*

Not covered by the study.

- vi. *How effective are the range of schemes, initiatives and projects aimed at supporting young people into work, for example: Jobs Growth Wales; apprenticeships; traineeships; other projects supported by European funding; and third-sector-run projects? Do they provide good value for money?*

The study found that there was not a common approach to the evaluation of individual projects and schemes. Evaluation was not undertaken routinely and it was therefore difficult to assess the value for money (*Para 4.4*).

It was widely accepted that the arrangements for European funding during 2006-13 had not been as well co-ordinated as they could be and this contributed to some duplication and inconsistency. The study noted that arrangements were being put in place for European funding from 2014 that would ensure projects met gaps in local provision identified by local mapping of services and that bidders had engaged with local 14-19 networks (*Paras 1.26-1.27*).

Issues that the Committee is considering

- a. *The impact of the Welsh Government's prioritisation of support for young people age 16-18; and the impact of this prioritisation on those aged 19-24;*

The study found that the implementation of the Framework, with its focus on 16-18 year olds, may not be sufficient for the Welsh government to achieve its objectives for 19-24 year olds. It notes that research and inspection work has concluded that improved outcomes at 16-18 do not always translate into improved outcomes at 19-24 (e.g. *Against the Odds – Re-engaging young people in employment or training*,

Audit Commission, July 2010). Figures for Welsh local authorities show that those with the biggest falls in leavers who are NEET at 16 did not necessarily see the same improvement for the older age group (e.g. Torfaen) (*Para 2.20*).

- b. *Transport (especially in rural areas): what are the problems and what assistance can be provided?*

Not considered as part of the study.

- c. *The need for softer skills: e.g., effective interview and job application skills; ready-for-work skills;*

Not considered as part of the study.

- d. *What can be done to assist the groups of young people who are more affected by barriers to re-entering the labour market, for example those with disability?*

The study noted that young people with disabilities or, chronically ill, have special educational needs, teenage parents and some ethnic minority groups are more likely to become NEET. We found that the Framework does not differentiate sufficiently between the different groups of young people who are NEET or at risk of becoming NEET. The Welsh Government are intending any such analysis and prioritisation to be determined locally but the study found it was not clear that the Government would monitor whether this happened (*Paras 2.12-2.15*).

The study recommended the Welsh Government analyses data and local implementation plans with reference to the needs of high risk groups and discusses this with councils.

- e. *The impact and value-for-money of European funds;*

The study found that European funds had supported NEET related projects with expenditure of at least £40 million per year. It was the main source of funding for many local projects such as the £21 million 'Engage' project in South West Wales as well as providing significant funding for World Class Traineeships and other centrally led programmes. Each of these projects was subject to performance monitoring which indicated that they met their targets. However, as noted above, the study found insufficient comparative evaluation to enable judgments to be made about relative value for money (*Paras 1.20 and 4.5*).

- f. *The extent to which employers require Welsh-language skills, and whether this requirement is perceived as a barrier by some young people;*

Not considered as part of the study.

- g. *Regional variations and local challenges;*

As expected, the review of councils found significant local variations in strategic planning, engagement and performance and indeed, one of the intentions of the Framework is to introduce a more consistent and evidence based approach across Wales. The requirement for local authorities and their partners to map services, appoint a 'NEET coordinator', to submit plans and discuss them twice each year with the Welsh Government was welcomed by local authorities and the study concluded

these steps will contribute to the likelihood of the Framework improving planning, co-ordination and provision of services (*Paras 2.1-2.5*).

- h. The social problems that prevent young people from finding work, and how to change the culture and attitudes that entrench unemployment for many.*

Not considered as part of the study.