

Research report

From Obligation to opportunity:

The impact of the Youth Obligation on disadvantaged young people.



WARWICK INSTITUTE *for*
EMPLOYMENT RESEARCH



centre
point

give homeless
young people
a future



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Centrepoint, 2019

Introduction

The Youth Obligation came into force on 26 April 2017. The programme is designed to support young people aged 18 to 21, who are making a new Universal Credit claim, into employment, work-related training or an apprenticeship.

The programme begins with the Intensive Activity Programme (IAP) which is a series of workshops and exercises designed to improve job search and interview skills. Following this, the young person will attend regular work search reviews and receives continued coaching over the six-month period. The support they receive should be tailored to their individual needs and address any personal barriers to work they may have. After this time, if the young person is still unemployed, they should be offered a sector-based work placement or encouraged to take up a traineeship.

Funded by Trust for London, Centrepont commissioned the University of Warwick to evaluate the extent to which the Youth Obligation supports disadvantaged young people into employment, education or training.

The evaluation was commissioned due to concerns about the potential impact of the programme on the most vulnerable young people. Centrepont supports homeless young people into employment, education and training, so we understand the complex needs of this group and

the support which is most effective. We were concerned about the design of the programme and the potential to see increased sanctioning of the most vulnerable claimants.

This evaluation reveals that the Youth Obligation is failing to support the most disadvantaged claimants into work. Worryingly, sanctioning has increased and young people have been pushed out of the welfare system altogether as the support offered through the Youth Obligation does not meet their needs.

While this research does highlight where the shortcomings of the system are, the Youth Obligation still presents an opportunity to support the most disadvantaged young people into work. To do this, tailored support must be put in place and Jobcentres must work in partnership with agencies in their local area.

Methodology

These findings are based on longitudinal research in London and Manchester from April 2017 to January 2019. Interviews and surveys with young people participating in the Youth Obligation were conducted across three waves, alongside a comparator group of young people not on the Youth Obligation.¹

The research included a survey of 80 Youth Obligation participants and 70 non-Youth Obligation participants alongside interviews with 22 Youth Obligation participants and 8 non-Youth Obligation at three different research waves:

- **Wave 1: start of Universal Credit claim and Intensive Activity Programme**
- **Wave 2: six-month point, at the end of the Youth Obligation programme**
- **Wave 3: 12-month point, assessing the longer impact of the Youth Obligation**

Interviews were also undertaken with 13 stakeholders including Jobcentre representatives and organisations providing advice and support for unemployed young people.

The young people who took part in this study had a range of complex needs including drug or alcohol misuse, a disability or learning difficulty. They may have experience of care, custody or homelessness. Just over three quarters of those surveyed had more than one disadvantage or vulnerability.

The research faced challenges at the beginning of the process, due to the small number of claimants initially, as the Youth Obligation only applied to new claimants in Universal Credit full service areas. Participation increased rapidly from October 2017.

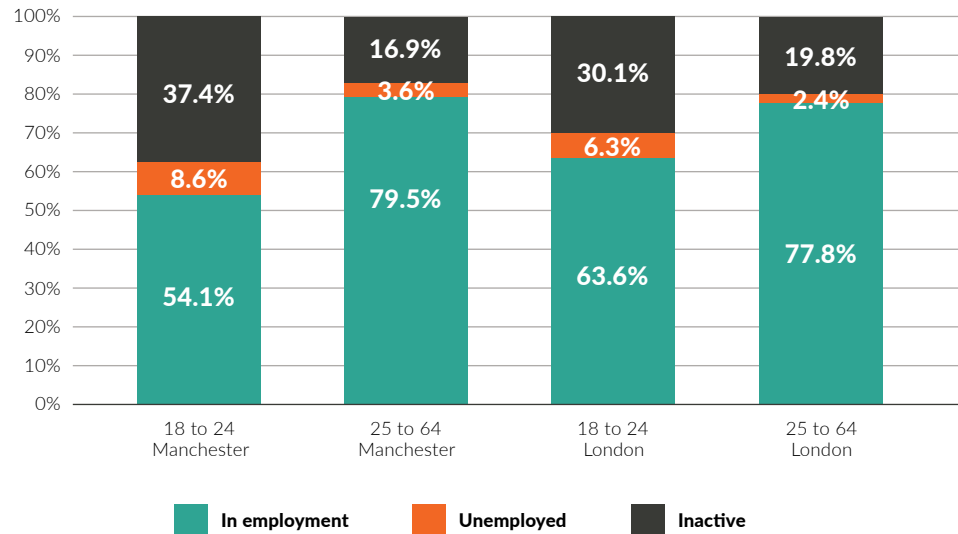
Furthermore, the policy itself changed; in December 2017 the mandatory aspect of the post-6-month activities was removed. Instead, participants can voluntarily participate in a work placement, training or attend a sector-based skills academic at any time while participating in the Youth Obligation.

¹ Young people on the Youth Obligation had made a new Universal Credit claim in a full-service area, since 26 April 2017. The comparator group made a new claim in a live service area and so were not enrolled on the Youth Obligation. However, there was evidence that elements of the Youth Obligation programme began filtering into live service areas too.

Labour market context

Young people aged 18 to 24 are more likely to be unemployed or economically inactive compared to 25-64 year olds in both Greater London and Greater Manchester.

Economic position by age



Labour Force Survey data also reveals a substantially higher share of young people aged 18 to 24 in sales and customer service occupations; around a fifth of all employed young people. Young people are also disproportionately more likely to be employed in elementary occupations, which tend to be characterised by routine tasks requiring a degree of physical effort.

Despite being more likely to be unemployed, young people across both regions are more qualified in terms of formal qualifications than adults aged 25 and over.

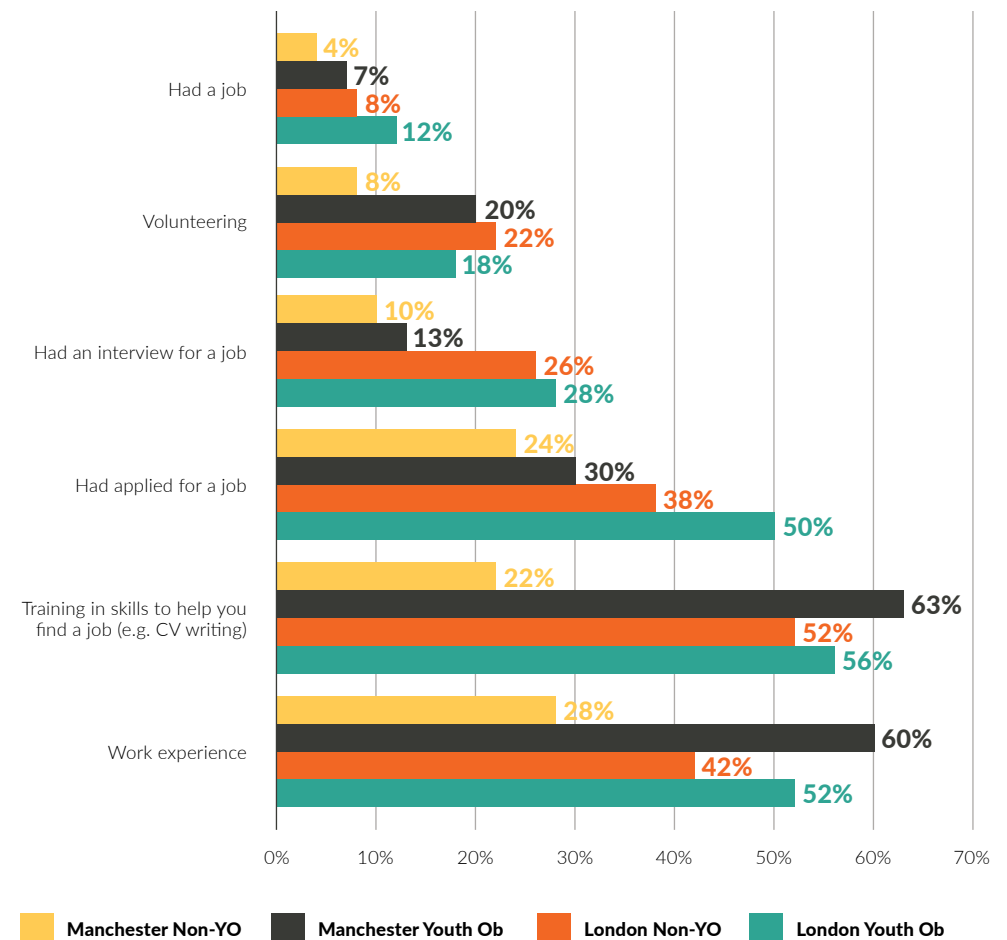


Young people's experience before the Youth Obligation

Previous experience of work and welfare

In the first wave of research, young people were asked about their previous experience of employment, education and training alongside an exploration of their wider needs.

Experience prior to their current benefits claim



Many young people were disadvantaged by their lack of work experience. While on average 46% had some kind of work experience and 48% had undertaken some form of training, in the majority of cases this was while they were at school. This did little to differentiate them from other young people experiencing less difficulties.

Many young people did not have the qualifications needed in a competitive job market. Over half did not have at least five A* to C grade GCSEs and 26% did not have the equivalent of Level 1 qualifications. Around 60% had some difficulty reading and 18% were functionally illiterate. Not only did this impact their ability to find work, but also their ability to engage with Youth Obligation activities and to understand what is required.

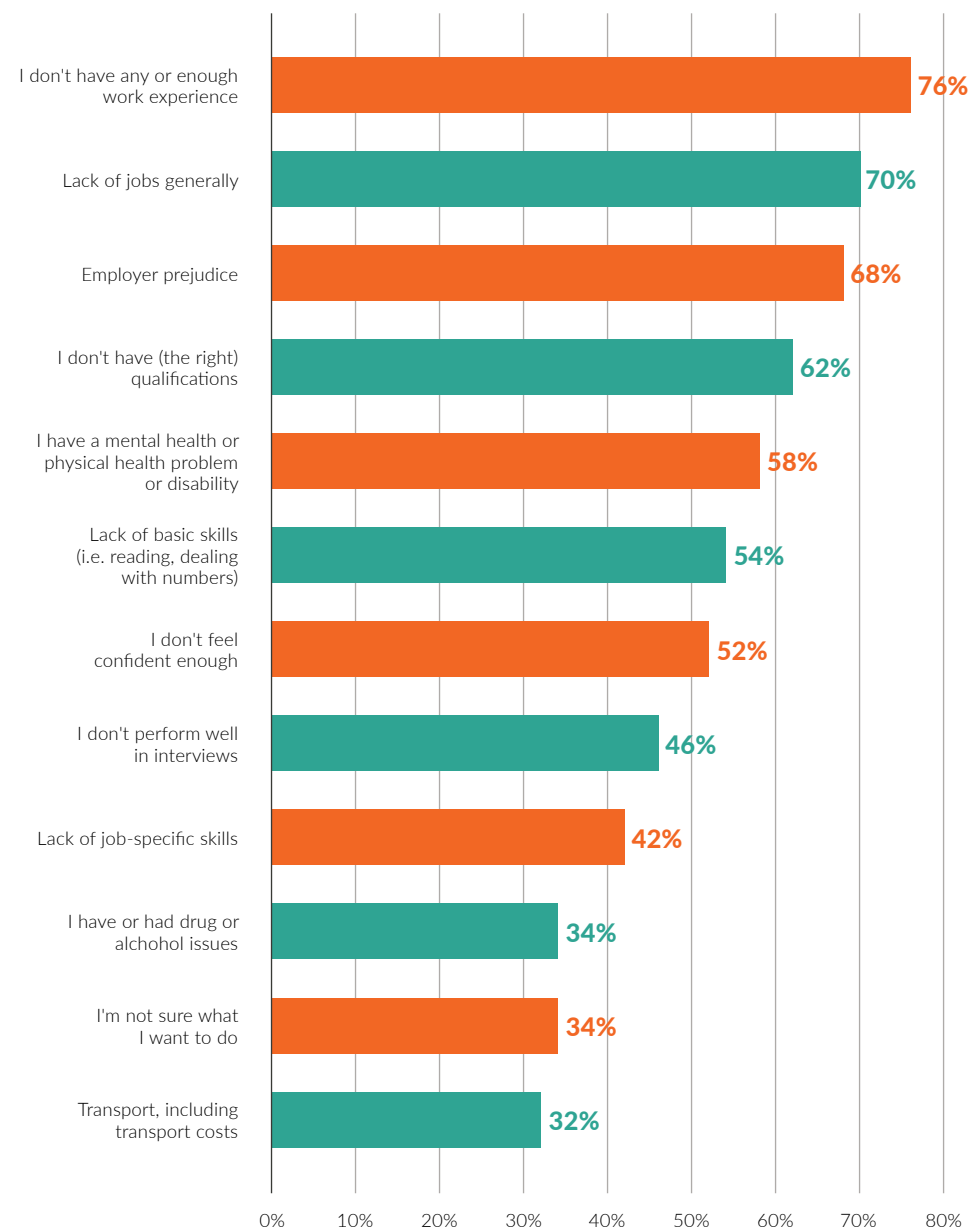
The young people who participated in the research fell into two groups. Some had been looking for work for less than two months and were primarily school leavers. Whereas others had experienced longer term unemployment and had previously claimed benefits, despite only becoming working age in recent years. Their cycling on and off benefits was not always because they had found work, but sometimes because they had needed to stop their benefits claim and work search. For most this was due to a personal issue such as mental health problems, issues with drugs and/or alcohol, homelessness and caring responsibilities. Some had been sanctioned and had not started claiming again once the sanction was over.

Some young people had not claimed benefits due to negative perceptions of the Jobcentre, including the stigma of being a claimant and fears around how they would be treated by Jobcentre staff.

The proportion of young people who cited a mental health issue as a barrier to work but were not claiming ESA or other disability benefits was also relatively high. Interviews with them and service providers suggested that some would be eligible for disability benefits, but were reluctant to have a health assessment. They were not currently in a position to work but were expected to search for work because their health issues could not be taken into account.



Most common barriers to finding work



Disadvantaged young people's experience of the Youth Obligation programme

Young people's understanding of their obligations

Both young people on the Youth Obligation and those who were not had little understanding of their obligations with the Jobcentre and the consequences of not fulfilling them.

Many on the Youth Obligation were unaware that they were participating in it. Most knew they would move through various stages of support, but were unclear what this would involve or how long each stage would take. Participants in the non-Youth Obligation cohort were clear about when they had to sign on and the number of jobs they were expected to apply for, but little beyond this.

The large amount of information provided in written form contributed to this lack of understanding. Young people described "thinking" they had been given "something" but were unaware of the content. Some had simply not paid attention to it, but others found reading difficult and were discouraged by the format.

1 in 5 young people were unaware that they were taking part in the Youth Obligation.

This lack of awareness was particularly an issue for those with mental health and autistic spectrum disorders, although many young people wanted a clearer idea of what was expected of them and how the programme would help them in the future.

Tailored support from a Work Coach

Young people's perceptions of the Youth Obligation were very dependent on their relationship with their Work Coach; how able they felt they could speak to them and how well they thought the Work Coach understood and responded to their needs. Initial engagement was viewed most positively. Almost two thirds of young people thought that making an individual plan with their Work Coach that identified their interests and the support they wanted was helpful.

However, the generic Intensive Activity Programme (IAP) workshops followed a work-first approach which limited the opportunity to tailor according to individual needs. There was little acknowledgement of whether the young person was properly prepared to find work.

Beyond the initial procedural personalisation of having a Work Coach and individual plan, there was little evidence of substantive personalisation whereby the subsequent support was tailored to their individual needs, e.g. through referrals to specialist support providers.

Young people also described a high degree of repetition in the activities they were asked to do. For example they had designed CVs before. There was little consideration about how the Youth Obligation fits in the broader youth employment context and where else they might be engaging with similar activities and support.

"They showed me how to do my CV. I did this at school, but they changed it. I don't know, you have to have a CV but if you've nothing to put on it then it doesn't matter how it looks, does it? I need them to help me to get some experience, that's what I need, something to put on my CV, that's what matters"

- Youth Obligation participant with mental health issue and low qualifications

In interviews, young people noted that they thought their advisor did not have time to discuss matters that were not directly related to looking for work, and some suggested that their advisor was not interested, or that they did not expect them to be interested.

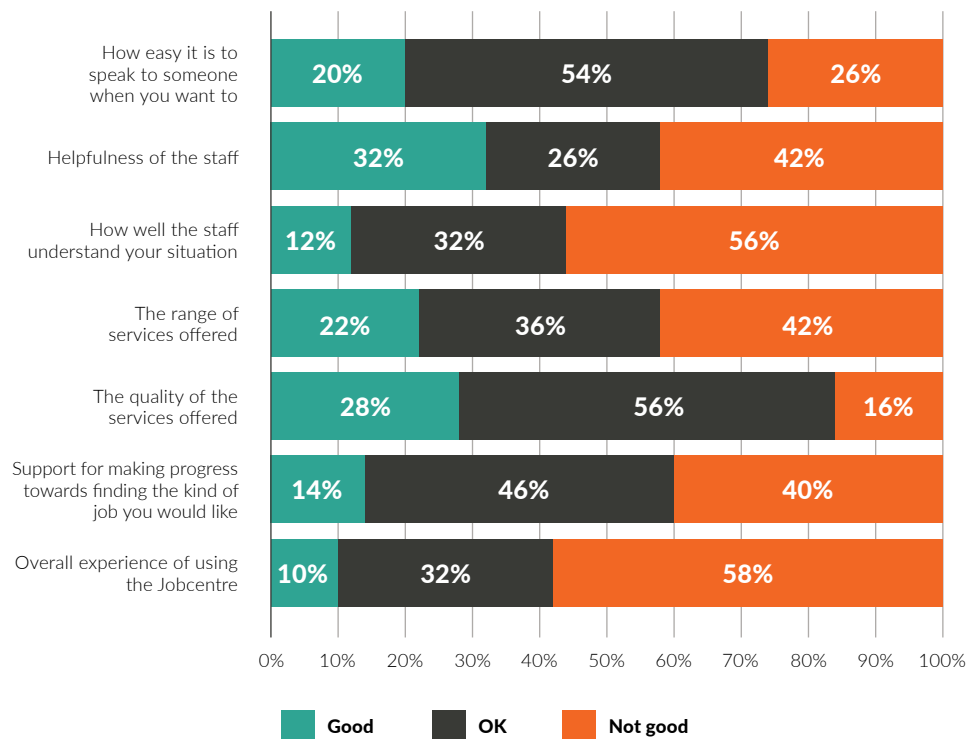
There was a significant group who already held negative views and so expected to be treated poorly. This made them less likely to disclose issues that were hindering their participation in the programme, such as worsening mental health or the re-emergence of addiction. The evidence suggests that Work Coaches do not always understand the flexibility they can exercise.

"I can't talk to them in the Jobcentre about all that. They aren't counsellors or anything, it isn't their job and I don't know them. I'm not giving all that out to a stranger. If they said to me, 'Come back and I'm not going to ask you any questions, ask you about why you've been gone' then I think I could try again."

- Youth Obligation participant with mental health issues who left the programme after five months

This negative perception also meant that some young people viewed reasonable advice very negatively. This was particularly pertinent when participants were offered certain types of additional support, but also when they were discussing their career plans, for example being dismissive of suggestions on alternative careers.

Youth Obligation participants views on the Jobcentre six months into their claim



Higher rates of sanctioning on the Youth Obligation

Given that the Intensive Activity Programme includes additional interaction with the Jobcentre, it is unsurprising that the sanction rate was higher for those on the Youth Obligation. Overall, 36% of London-based Youth Obligation participants and 40% of Manchester-based Youth Obligation participants were sanctioned at some point in the past year, compared with 24% in London non-Youth Obligation areas and 30% in Manchester non-Youth Obligation areas.

There was also a group of respondents who were sanctioned after the participant had, in their own mind, withdrawn from the Youth Obligation and was no longer trying to claim benefits but who had not officially informed anyone of this.

The risk of sanctioning is particularly unfair for those young people who have complex needs which are just not being addressed by the programme. These young people are set up to fail and when they do, they are pushed into even further hardship.

Support from specialist organisations

It is understandable that a Work Coach would not be able to meet all of the complex needs of the most vulnerable claimants. This is why, working in partnership with specialist organisations and other agencies is absolutely crucial. Workers from support organisations must be able to advocate for a young person. However, this is only being done to a limited extent.

“My Work Coach is really nice, like she’s a nice person. I don’t know if she can help me though. I mean, at the moment. It’s the housing, like that’s what I’ve got to sort out, with the Council to get me a place, and that ain’t her.”

- Youth Obligation participant who became homeless after starting the programme

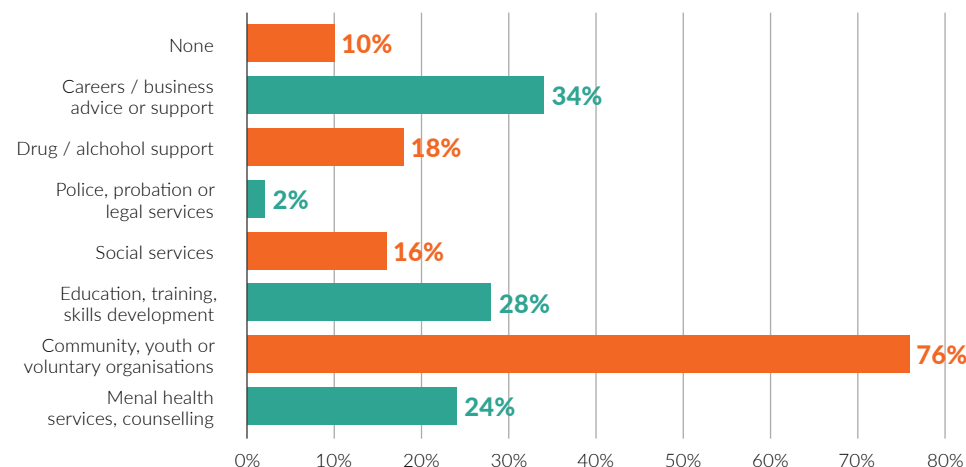
1 in 4 Youth Obligation participants said there was support that they would like that Jobcentre Plus did not offer.

Despite young people’s complex needs, referrals to specialist organisations outside the Jobcentre were relatively rare. When participants discussed this, they generally believed that this was not a feature of the programme. Some had accessed additional support through other routes independent of the Jobcentre.

Where Jobcentres did make referrals, this was most commonly for specific types of counselling, such as anger management or addiction services. It was not clear whether these referrals were the result of specific commissioning or if the Jobcentre had simply signposted.

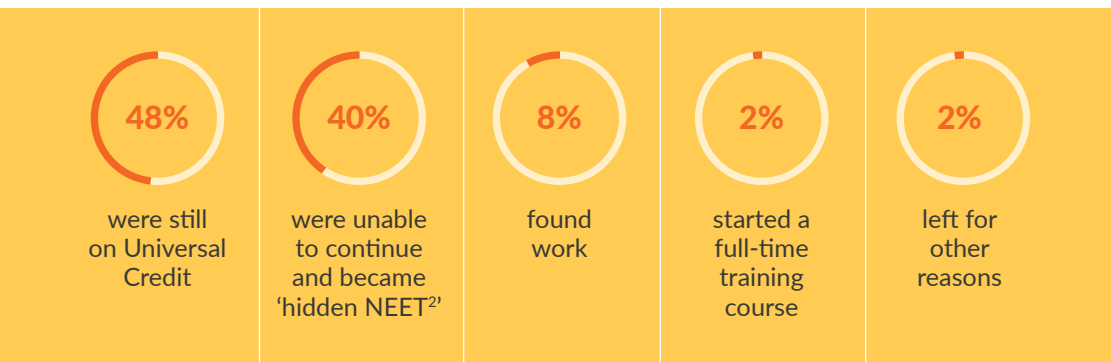
Overall it was clear that many young people felt they had unmet needs.

Other services used by young people while on the Youth Obligation



Withdrawal from the Youth Obligation

Where were the Youth Obligation young people after six months?



At the end of the Youth Obligation programme, less than one in ten young people were in work or training. The majority were still on Universal Credit. However, it is most concerning that 40% of young people withdrew. These young people fell into the following three groups.

1. 45% of young people left as they were unable to continue due to ongoing challenges in their lives

This group was predominantly composed of participants who were homeless, had drug or alcohol problems or who had mental health issues. For most, it had been obvious from the start that they would struggle to meet the programme's requirements.

“It was too much. I had too much going on, you know? It’s like they are telling me to do all these things... I’m trying to get somewhere to stay, a roof over my head, food, all that. I just don’t have time to talk about a job. It’s not that I don’t want a job, I just can’t be sitting talking about it.”

- Homeless Youth Obligation participant with mental health issues who left the programme after 2 months

² NEET: Not in education, employment or training

Some young people were experiencing mental and physical health problems which were significant barriers to work, but were unwilling to undertake the assessment necessary to be considered for disability-related benefits.

“I’ve heard they ask you all sorts of questions and then they just say “no”. I don’t want to be telling people all my business. I don’t want to be saying to them ‘three weeks ago I got taken to the emergency cos like I cut my wrists’ or whatever. I don’t want to be telling no-one that.”

- Youth Obligation participant with mental health issues who left and re-joined the programme

Some young people’s health issues fluctuated, leading to periods when they were unable to meet the requirements of the Youth Obligation. These periods were unpredictable, but the Youth Obligation was not quick to react to meet these changing needs.

“My anxiety got really bad. I did go at first, but I was having these episodes, like panic attacks, before I had to go out and I was getting home like, after I had been there, and I was like shaking and everything. And in the end, I just couldn’t even step outside the door, I’d be all ready, dressed, make up on, hair, and I just couldn’t do it. It was like there was a wall in front of my door.”

-Youth Obligation participant with mental health issues who left the programme after 3 months

The Youth Obligation was not the appropriate programme for these young people at that point. They were not in a position to participate at the required level and similarly would have struggled in work. Some should not have been in the all work-related activity group at all.

It would have been more appropriate for this group to have been given a delayed start to the programme or easements. If a young person were placed on the programme before they were ready, this could lead to a waste of resources and the young person becoming distressed.

2. 45% of young people were unable to continue because they experienced a temporary problem

A second group of young people experienced a temporary problem that had caused them to miss Youth Obligation appointments, primarily those young people with a mental health issue. Fear, embarrassment and uncertainty about their involvement in the programme meant they did not come back. A temporary problem can spiral into long-term unemployment.

“To be totally straight with you, I’ve had problems, drugs, and I’m not proud of it... I felt like totally down on myself and I didn’t want to see anyone, didn’t want to face them. I was supposed to have gone to the Jobcentre on one day and I didn’t. Then it was like ‘I have to go’, but what am I going to say? ‘Yeah, you know, I got f***ing bombed and I never showed’? They are not going to accept that are they? I don’t want to walk in and say that, you know, I’m not proud, I said to you, I’ve f*cked up my life, I’m not proud of it.”

- Youth Obligation participant with drug and alcohol problems, mental health issues and low qualifications who left the programme after 3 months

Although temporary withdrawal from the programme is possible and easements can be applied, very few participants knew that this was the case. It is essential that young people know this and also that the Jobcentre creates an environment within which they can participate again.

These young people in particular struggled to advocate for themselves, sometimes due to a lack of understanding of the system which was exacerbated by learning disabilities and mental health issues. Several organisations were willing to assist with advocacy, but thought that this would not be welcomed or even allowed by the Jobcentre.

3. 10% of young people left as they disliked the programme or found it inappropriate for their needs

A small number of young people held negative views about the Youth Obligation and the activities they were being asked to engage in. This included two young people with learning difficulties who found the Youth Obligation activities impossible without support but were not offered any support, and two participants with Autistic Spectrum Disorders who needed a more tailored approach.

“It was useless. I told them what I wanted to do, but they didn’t do anything to help me. I don’t know why they were telling me to do these things because they were irrelevant. There was no point in my turning up and as I haven’t been sanctioned I believe that they think the same.”

- Youth Obligation participant with an autistic spectrum disorder who left the programme after 4 months

One year on: the impact of the Youth Obligation

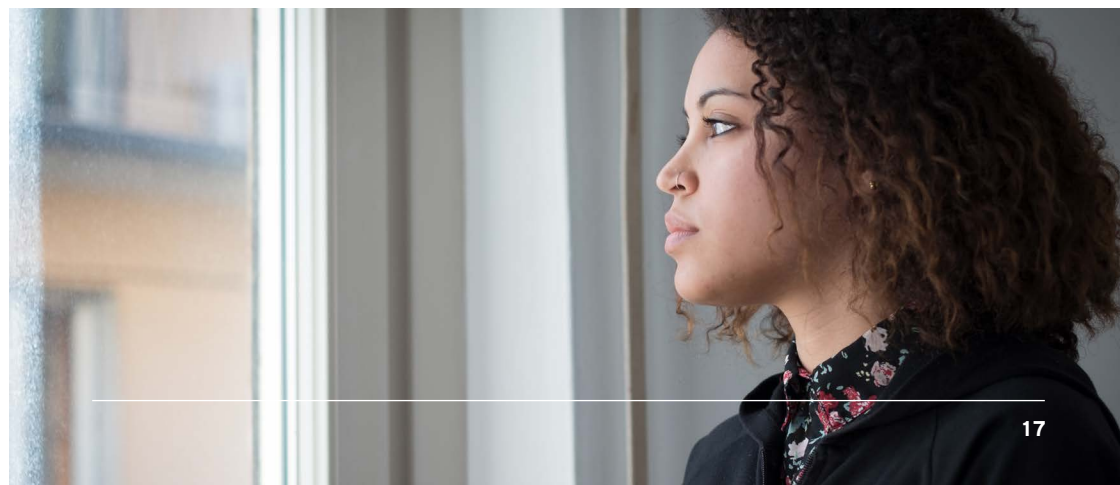
Where were young people one year on?



Getting into work

The aims of the Youth Obligation in getting young people into employment or training had not been met. A quarter of young people were in work and just 4% were on a full-time training course one year on from starting the programme.

Around half of those in work (44%) were engaged in informal cash in hand work such as cleaning, ironing, babysitting or hairdressing. Having withdrawn from the Youth Obligation, they felt that this was the only viable option for them. Like those who were not working or claiming any benefits, they had simply disengaged.



Only one young person from the whole Youth Obligation cohort had obtained a permanent employment contract.

Of those who were in formal employment, 44% were claiming employment support benefits to top up their wages and 11% were claiming jobseeker's benefits, such as the limited and sporadic nature of their employment. The average annual salary of all participants doing some form of work was just over £6,000. Of the eight people who are in formal, declared employment, five stated that the Youth Obligation was either very important or quite important in helping them to find their job.

The offer of a traineeship or work placement

The vast majority (92%) of young people who were still on the Youth Obligation at the six month point were not offered a traineeship, a place on a sector-based work academy or a work placement at the end of the Youth Obligation. This is a core component of the programme. Only 3%

This cohort of young people had complex needs and were further from the jobs market than their peers. However, the low numbers in work alongside the high withdrawal rate suggests that the Youth Obligation simply does not meet the needs of this group.

46% of disadvantaged young people who began the Youth Obligation in 2017 had simply disappeared from the system.

They claimed no benefits and they declared no formal employment.

were offered a traineeship and only 5% were offered a work placement.

We also asked those young people whether they had wanted to do any of these options and which they would have preferred:

	I would have liked to do this	This would have been my first choice
Get a traineeship	25%	17%
Get a place at a sector-based work academy	8%	5%
Do a work placement	31%	25%
I didn't want to do any of these things	53%	53%

It may be that the rates of offering a traineeship or placement were low at the six month point because the young people had been offered them earlier in the programme, or the work coach recognised that they were not ready to participate in employment. It is unclear what opportunities are available to those young people who are not yet ready for a

Supporting young people to achieve their aspirations

It is sometimes suggested that some young people struggle to find employment as they hold unrealistic aspirations for the type of work that is available to them. However, this was not the case for most Youth Obligation participants either at the start or the end of the programme. The majority of participants appeared to be flexible in the characteristics of the work they were seeking and willing to accept various forms of non-standard employment if this would allow them to find a job.

There was no significant difference between how difficult the Youth Obligation and non-Youth Obligation cohorts perceived finding work to be. However, the proportion of Youth Obligation participants who thought that it was "not likely at all" that they would find suitable employment within the next six months increased more than those not on the Youth Obligation. Those on the Youth Obligation became increasingly pessimistic about their employment prospects.

traineeship, sector based work academy or work placement. A fifth of the young people who took part in this research were functionally illiterate. Either they should not be placed on the Youth Obligation or an alternative programme must be devised which offers more appropriate development opportunities.

Just three young people said that the job that they were doing was what they wanted to be doing.

Young people on the Youth Obligation were able to clarify their career aspirations as they went through the programme. At the start, nearly a third of young people stated they were looking for 'anything' in term of work, but one year on this had fallen to under 25%. The job characteristics that young people felt were important also changed over time, as they became increasingly flexible.

Retail work was the most sought, with almost 70% of young people giving this as an example of a job they were looking for. Catering and bar work, work in social care, hairdressing and other beauty-related personal service work, construction and various types of factory work were also commonly mentioned, as was voluntary and youth work.

Conclusion

This research is the first longitudinal evaluation of the Youth Obligation to be published. It reflects the experiences of disadvantaged young people; those with the most complex needs who are furthest from the job market. The Youth Obligation is not working effectively for this group.

Less than a quarter of the young people who had been on the Youth Obligation programme were in work after a year, and nearly half of those were in informal employment. For young people in formal employment, wages and hours tended to be low.

The evidence is mixed on whether the Youth Obligation played any role in people finding employment as the numbers are too low to draw more than indicative conclusions. Both Youth Obligation and non-Youth Obligation participants become increasingly more negative about their chances of finding employment as time went on. The proportion who believed it was very difficult went from 65% at the start of the Youth Obligation to 90% one year on. The Youth Obligation appears to do

little to make participants more positive about their potential to find the kind of work they want.

Looking beyond employment outcomes to measure nearness to the labour market, which is a particularly important measure for very disadvantaged young people, there is some evidence that participation in the Youth Obligation in both London and Manchester helped young people to focus on the type of work they wanted. It improved their knowledge of what employers are looking for and their understanding of where to find work. It is important to note these benefits and to acknowledge that whether or not a young person actually finds work is, to an extent, determined by the labour market and employer attitudes, not only Jobcentre Plus.

There are also clear areas where Jobcentres could improve the support they offer, based on the barriers that young people face. Easements do not seem to have been applied in those cases where young people were clearly at a crisis point and could not engage effectively. Better partnership working with local agencies is needed, whether that is in referring to specialist services or working alongside those providers who are already supporting that young person. This would help Work Coaches to better identify vulnerability and facilitate additional support.

Overall, the picture that emerges is of a group who are not being offered sufficient flexibility by the programme to meet their specific needs. Young people are being rushed onto the programme when they are evidently not ready or able to benefit from it and are expected to remain on the programme despite significant difficulties. This results in young people who are most in need of support, dropping out and consequently losing access to any support they might have received through the programme. Once these young people have dropped out, it becomes increasingly difficult to re-engage them, and they become people who live outside the system until a crisis forces them to seek much more immediate and costly interventions.



Recommendations

The Department for Work and Pensions should:

1. Review the Intensive Activity Programme requirements and incorporate provision which builds soft skills such as self-confidence.

The current work first approach does not meet the needs of the most disadvantaged young people. The Youth Obligation needs to support them to become work-place ready, before they can start applying for jobs. Getting ready for employment should be recognised as a successful outcome in itself, where the young person has the soft skills needed within the workplace.

2. Overhaul explicit consent within Universal Credit, creating a mechanism which facilitates information sharing between DWP and trusted organisations supporting a claimant.

Explicit consent rules currently prevent information sharing between DWP and other support agencies. Crucial information about a claimant's vulnerability, which might ensure the right support is put in place, cannot be shared. A mechanism is needed through which claimants can give their consent for other professionals supporting them to communicate directly with DWP. This must be promoted by DWP to ensure organisations know that their input is both welcome and essential in working together to support a claimant.

3. Promote the use of advocates within Jobcentres and ensure that no claimant is prevented from bringing an advocate to a Jobcentre appointment.

For some of the most vulnerable claimants, an advocate can play a vital role in facilitating their relationship with the Work Coach. The advocate might be from an organisation already supporting the young person and can offer a source of support and expertise. This would ensure that the young person knows their rights and entitlements while also aiding the Work Coach in understanding how best to work with the claimant.

4. Ensure that a young person's Youth Obligation Support Programme is personalised according to their identified needs, including referring to specialist support services.

Personalisation must go beyond simply identifying individual needs, to actually addressing these needs. Work Coaches cannot be specialists in supporting every vulnerable group and so referrals must be made to specialist agencies. Partnership Managers must play a central role in facilitating links with wider support networks and ensure Work Coaches know about the support available locally, and staff must ensure that Jobcentre funds and resources which can benefit young people are properly signposted and promoted.

5. Conduct a national impact assessment of the Youth Obligation that goes beyond currently collected monitoring data.

The Youth Obligation data currently collected by DWP is monitoring data, reflecting process rather than efficacy. This may drive Work Coaches to focus on certain procedural outcomes rather than implementing the personalised approach which is best for the claimant. A national impact evaluation is needed to examine whether the programme has brought about change for those participating, what worked effectively and for whom.

6. Take a Psychologically Informed Environment approach within Jobcentre buildings and ensure all Work Coaches are trained in identifying and supporting claimants with complex needs.

Creating a welcoming atmosphere is crucial to enabling claimants to disclose their needs and to build a positive working relationship with their Work Coach. The physical environment of the Jobcentre must reflect this as well as the attitude and approach of the Work Coach.

7. Better promote Traineeships and recognise participation in one as a positive outcome.

Traineeships are a vital stepping stone for those young people who are ready to enter the work-place but need to build skills and experience. While participants may need to continue claiming Universal Credit during their traineeship, their participation should increase their employability in the longer-term.

8. Provide all Youth Obligation participants with information about the programme in a range of formats.

It is crucial that young people fully understand what is expected of them prior to signing their Claimant Commitment. Information about the content of the Youth Obligation, including support and easements that are available, should be provided in written, easy read and video format. These should be publically available so that other agencies supporting a young person on the Youth Obligation can also understand the programme requirements fully and appropriately support the young person to participate.



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