

THE IMPACT OF THE YOUTH OBLIGATION ON DISADVANTAGED YOUNG PEOPLE

Research report

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EXECUTIVE SUMMARY

- This report contains findings from a three Wave longitudinal study of disadvantaged young people who joined the Youth Obligation employment support programme shortly after it began in April 2017.
- Disadvantaged young people are more likely to experience unemployment, to not be in any form of employment, education or training (NEET) and to be 'hidden NEETs' who are additionally not accessing any type of welfare support. They face a range of barriers to entering the labour market, and to engaging with public employment programmes, which are related to their previous experience, levels of confidence and specific barriers related to their personal circumstances. A young person is defined as being disadvantaged if they are or have experienced any of the following: Currently or recently homeless; Care leavers; Offenders or ex-offenders; Current or recent drug or alcohol dependency; Disabled, including those formerly on ESA or appealing their fit for work decision; JSA repeaters, i.e. this is not their first JSA claim; NEET for at least 6 months before benefit claim; Do not have 5 GCSEs A-C; and young carers. The majority of participants in the research were experience multiple disadvantages.
- The Youth Obligation was designed to support young people aged 18 to 21 who were making a new Universal Credit claim into employment, work-related training or an apprenticeship, so preventing a drift into long-term unemployment. It is a mandatory programme for all new young claimants in full-service Universal Credit areas. It consists of an Intensive Activity Programme (IAP) which typically involves attendance at a series of workshops focussed on identifying aspirations and improving job search and interview techniques. Following the IAP young people are required to take part in regular work search reviews and receive additional support until they have been on the programme for six months. At this point, they should be encouraged to take up a traineeship or offered a sector-based work placement, although evidence of these activities being offered to disadvantaged young people was very limited. Compared to previous support employment programmes, the Youth Obligation brings more activities into Jobcentre Plus, with limited contracting out.

ENGAGEMENT WITH THE YOUTH OBLIGATION

- A central concern of the Youth Obligation was that it should be personalised to the needs and aspirations of individual young people. Two forms of personalisation could be identified in the practices of JCP. There was a relatively large amount of procedural personalisation, which involved contact with designated work coaches and young people having someone who would listen to their aspirations and problems. There was somewhat less evidence of substantive personalisation, which involves acting on the information gained through procedural personalisation to tailor services and support to the particular needs of the young person. Work coaches were limited by the amount of time they could spend with any one claimant, their personal knowledge of the support available and young people's unwillingness to disclose particular information that may have helped the work coach to provide more tailored support. Many of the young people also lacked a clear understanding

of the Youth Obligation and what would be expected of them, resulting in Claimant Commitments being signed that the young person would find it impossible to abide by.

- While there is some evidence of human capital approaches being used, much of the support offered during the Youth Obligation takes a work-first approach, focussing on providing young people with the practical skills they need to look for work. Disadvantaged young people seemed to be particularly likely to be excluded from accessing support that would promote human capital development and held negative views about the value of the employability support they received, which they regarded as repetitive and designed to fill their time rather than being something that would actually lead to positive job outcomes. The question of whether these young people were in a position where they were ready and able to secure and sustain employment was rarely addressed, they simply had to keep searching for it.

RETENTION ON THE YOUTH OBLIGATION

- The Youth Obligation is an example of welfare conditionality, employing sanctions to promote compliance. This kind of approach has been seen to have a disproportionate impact on young people and disadvantaged groups, and this research found that sanction-rates were higher amongst Youth Obligation participants (38% of whom had been sanctioned during the course of the research) compared to non-Youth Obligation participants (26%) and Youth Obligation participants were more likely to have been sanctioned on multiple occasions.
- Retention on the Youth Obligation was low, with less than half of those who started on the programme in 2017 completing the mandatory six month period. These drop-outs were not people who had left the programme because they had found employment or training, rather they were young people who were dropping out because their personal circumstances made it difficult or impossible for them to continue. Participants who dropped out also stopped their benefits claim, since participation in the programme is mandatory.
- Forty percent of those who dropped out were experiencing ongoing personal issues that meant their successful completion of the programme was in doubt from day one. This group included young people experiencing homelessness and substance misuse issues. They would have benefited from a delayed start to the programme, to allow them to access the services that would help them to resolve these issues, but there was no evidence of this being offered to them as an option, although JCP staff noted that this did occur in some cases.
- A similar sized group dropped out due to new issues arising as they participated in the programme. These new issues were not always entirely unanticipated, and this group included young people with fluctuating mental health issues and some with caring responsibilities. This group would have benefited from more information about easement and how and when it might be applied, but they rarely knew about this possibility, and instead spiralled out of the system, first missing appointments, then being sanctioned and then leaving the system and not returning as fear, embarrassment and uncertainty kept them away. They would also have benefited from better guidance concerning return to the programme after an extended period out of the system, as well as an environment that they saw as welcoming, flexible and tolerant of mistakes.

- Generally, participants appeared to be poorly informed about what was expected of them and about what they should do if they found themselves unable to comply. After around one month on the programme, one in five participants remained unaware that they were taking part in the Youth Obligation.

OUTCOMES OF THE YOUTH OBLIGATION

- Overall, 24% of Youth Obligation participants reported that they were in employment nine months after starting the programme, but closer examination revealed that 40% of those who reported that they were in employment were in fact engaged in informal, cash-in-hand working and were not recognised as being formally employed. As the majority of this group were also not claiming benefits the sporadic earnings they received from this type of work represented their only income.
- Just 12% of Youth Obligation participants were in formal employment after six months, with approximately half of this group in full-time employment. Permanent employment was very rare and participants were generally employed in the low skill, low wage sectors characterised by temporary employment and the use of zero-hours contracts.
- At the nine month point, three quarters of participants described themselves as ‘not in work’ and only half of this group were continuing to search for work. A small number had moved onto other benefits, but the majority had simply disengaged from the benefits system altogether.
- In total, 46% of participants who started on the Youth Obligation in 2017 had disappeared from the system over the course of the following nine months. They were not in education or training, they declared no formal employment and they claimed no benefits.
- While the job outcomes for disadvantaged young people were relatively poor, there was evidence that participation in the Youth Obligation had provided certain benefits for disadvantaged young people that are not captured when using measures that only consider whether a participant has got a job. Participants seemed to become increasingly flexible about the characteristics of the jobs they sought, while at the same time becoming increasingly clear about their career plans and the particular jobs that they were interested in. They also demonstrated larger gains in their self-assessed skills, self-confidence, understanding of the labour market and knowledge about how to find and apply for jobs, than young people who were not participating in the Youth Obligation. Similarly, they showed improvements in both their general happiness and satisfaction with life, albeit this was still very low, which was not the case amongst non-Youth Obligation participants.
- The barriers to finding employment faced by disadvantaged young people did not appear to be of the type that could be overcome by simple improvements in their ability to search for work. Some were related to the operation of the labour market and the availability of suitable jobs, others were related to a lack of basic skills, qualifications and previous work experience and generally low levels of human capital development, while a final group were associated with the particular disadvantages the young people were facing and the ways in which these disadvantages increased the impact of other barriers.

- The longer young people were unemployed, the more pessimistic they became about their chances of finding suitable work. As a result, many simply stopped looking, perceiving the obstacles they were facing to be too difficult to overcome or too all-consuming at the present time.
- The report concludes that without an increase in flexibility and personalisation, a programme that was designed to bring young people into employment runs the risk of driving the most disadvantaged further away. The implications for these young people, their families and wider society are severe. It deprived disadvantaged young people not just of financial support, but also access to other statutory services, placed the financial burden for supporting them on families that were often already struggling to cope, and resulted in a growing subsection of society that are not only disengaged, but are unknown and unrecorded, whose re-engagement became increasingly more difficult and unlikely as time went on. Policy and practice recommendations to address these issues are provided at the end of the report.

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1. INTRODUCTION

The Youth Obligation was introduced on 26th April 2017 as a programme of intensive support for all 18 to 21 year olds making a new claim to Universal Credit. Its introduction followed the ending of the Work Programme and represents a move away from outsourcing of unemployment services to the private sector, with work coaches operating within Job Centres with a discretionary budget for purchasing of additional support. The incentive structure for private providers was identified as one of the key weaknesses of the Work Programme, primarily because its payment by results model often led to providers focussing support on those who were most likely to find employment, and hence trigger payment, while ‘parking’ those, like the participants in this research, who were regarded as more difficult, leaving them with little support or likelihood of finding work¹.

The aim of the Youth Obligation is to support unemployed young people into employment, work-related training or an apprenticeship, with support being tailored to the individual claimants needs and goals. The programme consists of an Intensive Activity Programme (IAP) of around 71 hours of intensive support during the first three weeks of participation, followed by a weekly work search review with continued intensive support in weeks four to 17. From week 18 onwards, claimants have weekly or fortnightly work search reviews, leading to an in-depth assessment at month five to establish why the claimant has not found employment, training or other next steps. At month six, a referral interview is to take place with claimants who were not in employment or training, to encourage them to take up a traineeship, attend a sector-based work academy or take part in work experience for a period of at least three months.

A change to the Youth Obligation occurred in December 2017. This removed the mandatory aspect of the post-six months activities. Participants may voluntarily choose to participate in a work placement and may take part in training or attend a sector-based skills academy at any time while participating in the Youth Obligation. The mandatory nature of these activities post-6 months was a key concern when considering the ability of disadvantaged young people to participate successfully in the Youth Obligation. However, the voluntary nature of these activities raised additional questions concerning access to these opportunities. It was clear that the number of organisations willing to offer a work placement was inadequate to meet the likely demand for placements, meaning that some rationing would need to occur. This created the possibility that, as in previous employment support initiatives, opportunities would be overly focussed on ‘low-hanging fruit’, that is, participants who are most able to find work, while disadvantaged young people who have additional needs are written off from the start as too difficult, too unlikely to find work and requiring of too much support. Before the change to the Youth Obligation, there were questions about whether disadvantaged young people would have access to the most useful work placements when JCP needed to build long-term relationships with organisations offering placements, but following the removal of the

¹ See Newton, B. et al (2012) *Work Programme evaluation: Findings from the first phase of qualitative research on programme delivery*. Department for Work and Pensions Research Report 821. <https://www.york.ac.uk/inst/spru/pubs/pdf/rrep821.pdf>

requirement for young people to participate in one of the three post-six month options, an equally pressing question emerged, which was whether the most disadvantaged young people would receive any targeted support after the six month point.

POLICY CONTEXT

The Youth Obligation was introduced at a time when youth employment and unemployment were becoming critical policy issues. In 2016, the youth unemployment rate stood at 13% for 18 to 24 year olds, and the NEET (Not in Employment, Education or Training) rate was 10.9%² (European Commission, 2018). Although both rates were fairly stable and improving to some extent, there were concerns about young people drifting into long-term unemployment, with almost six in ten unemployed young people having been unemployed for at least three months and the number who have been unemployed for more than twelve months growing³, as well as the low level of benefit claims amongst the NEET population, with an estimated figure of only between 10% and 20%⁴ being in receipt of Job Seekers Allowance and the support that came with engagement with employment services. There were also concerns about the variability in youth unemployment rates across the country and between young people with different demographic characteristics, and stalling social mobility⁵. These concerns prompted policy makers to intensify their focus on early intervention policies for young people, and in particular to pursue active ‘earn or learn’ welfare policies that primarily took a ‘work-first’ approach designed to encourage young people into some form of employment or other work-related activity at the earliest opportunity.

While these policies would appear to be neutral, or even beneficial, in terms of their impact on disadvantaged young people, the rhetoric that accompanied them raised concerns about how young people with additional needs and difficulties finding employment might experience them in practice. In a press release announcing the introduction of the Youth Obligation and other reforms to youth employment support in August 2015 that would see “every young person earning or learning”, the Paymaster General expressed the government’s commitment to a “no excuses” culture that would “end the welfare culture that is embedded in some of Britain’s most vulnerable communities”. In the same press release, it is noted that “More than 70% of Jobseekers Allowance (JSA) claimants said they would be more likely to follow the rules if

² European Commission (2018) *The Youth Guarantee country by country - United Kingdom*. <http://ec.europa.eu/social/BlobServlet?docId=13663&langId=en>

³ Impetus-PEF (2017) Youth Job Index. <http://www.impetus-pef.org.uk/policy-initiatives/youth-jobs-index/>

⁴ Precise figures related to the NEET, and in particular the ‘hidden NEET’ population who are not claiming benefits, are difficult to estimate. In 2016, the Department for Education relaxed the requirement for local authorities to track the activities of 18 year olds and the proportion of young people whose activities are simply recorded as ‘unknown’ in official statistics has grown. See Brooks, R. (2014) Out of sight: How we lost track of thousands of NEETs and how we can transform their prospects. Fabian Society. https://fabians.org.uk/wp-content/uploads/2014/12/OutOfSight_WEB-1-1.pdf

⁵ Social Mobility Commission (2017) *Time For Change: An Assessment of Government Policies on Social Mobility 1997-2017*. <https://www.gov.uk/government/publications/social-mobility-policies-between-1997-and-2017-time-for-change>

they knew that their benefits were going to be reduced or stopped”⁶. Concerns were raised by organisations working with disadvantaged young people about the appropriateness of these policies, noting that previous welfare-to-work programmes that had employed a similar “carrot and stick” design with a strong mandatory element, including the New Deal and the Work Programme, had not adequately assessed and accounted for the particular barriers faced by disadvantaged young people, resulting in a lack of personalised support, a high sanction rate, and a reluctance amongst young people to engage with employment services as anything but a last resort⁷.

Disadvantaged young people are considerably more likely to be NEETs and ‘hidden NEETs’, i.e. to be NEET and not claiming benefits. The reasons for this are complex and often intertwined. They include issues related to prior educational attainment, including achievement of qualification and poor experiences of compulsory education, lack of previous work experiences that puts them at a disadvantage in a competitive labour market, and often lower levels of self-confidence, self-efficacy and motivation. Alongside these broad issues, different groups of disadvantaged young people face particular barriers due to their personal circumstances, such as housing problems, substance misuse issues, and experience of institutional care.

LABOUR MARKET CONTEXT

The research for this report was undertaken in Greater London and Greater Manchester between June 2017 and December 2018.

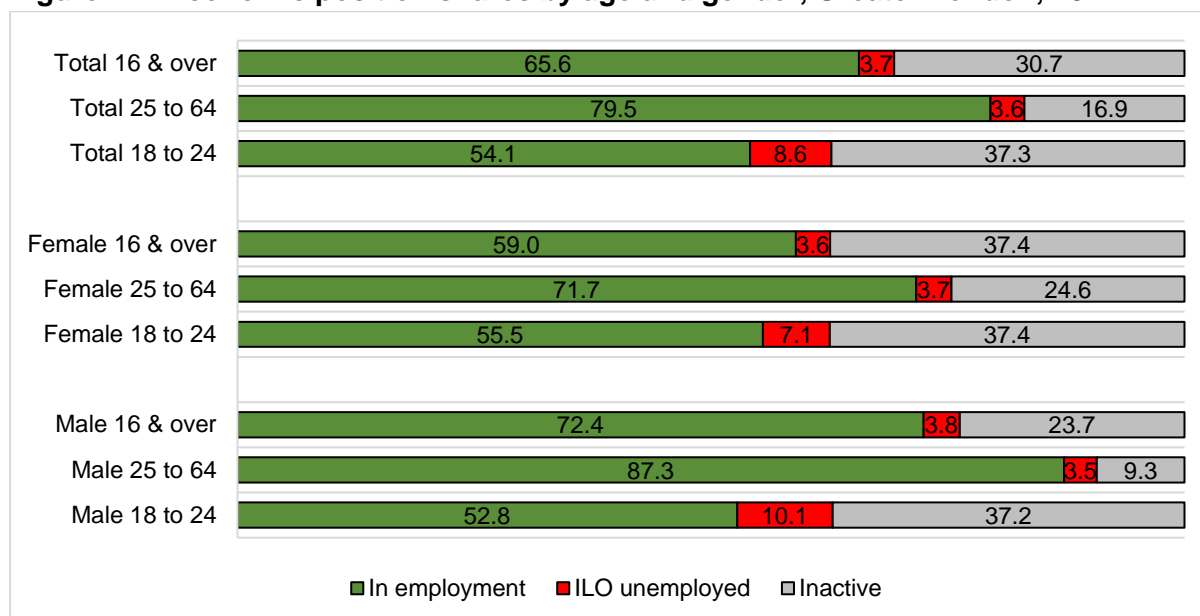
Figures 1.1 and 1.2 show the economic position of young people aged 18-24 years in 2017 in Greater London and Greater Manchester, respectively. The figures demonstrate the disparity between employment rates of young people and the wider population. Relative to residents aged 25-64 years those aged 18-24 years are characterised by a greater likelihood of unemployment and economic inactivity and a lower propensity to be in employment. A slightly higher share of young males than of young females is unemployed. The share of young people who are inactive is higher in Greater London than in Greater Manchester. To some extent this is likely to reflect a higher share of young people in education in Greater London than in Greater Manchester, but it also reflects the different labour markets in the two cities, with

⁶ Cabinet Office (2015) ‘Hancock: Every young person should be earning or learning from April 2017’ <https://www.gov.uk/government/news/hancock-every-young-person-should-be-earning-or-learning-from-april-2017>

⁷ See, for example, Buzzeo, J., Marvell, R., Everett, C. and Newton, B. (2016) Tackling unemployment among disadvantaged young people. Institute for Employment Studies (IES) and Centrepoint. <https://www.employment-studies.co.uk/system/files/resources/files/cpt0316.pdf>; Homeless Link (2013) *A high cost to pay: The impact of benefit sanctions on homeless people*. <https://www.homeless.org.uk/sites/default/files/site-attachments/A%20High%20Cost%20to%20Pay%20Sept%2013.pdf>; Bauld, L., Hay, G., McKell, J. and Carroll, C. (2010) *Problem drug users’ experiences of employment and the benefits system*. Department for Work and Pensions Research Report 640. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/214409/rrep640.pdf

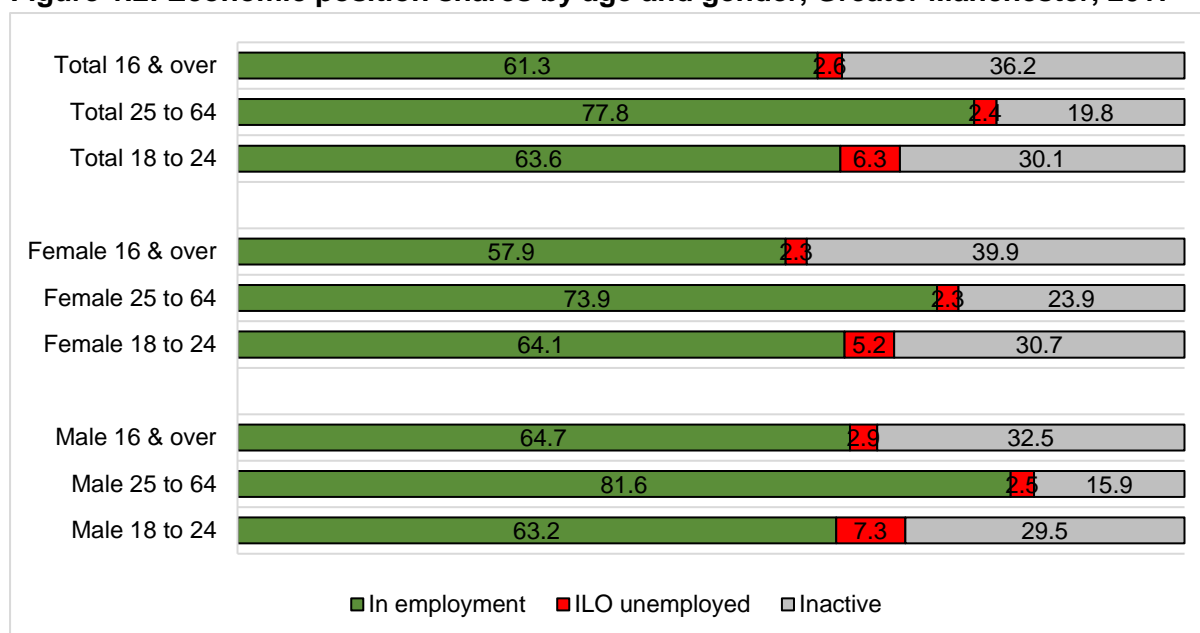
Greater London having a higher proportion of insecure, low-paid and low-skilled jobs available, leading to young people cycling in and out of employment⁸.

Figure 1.1: Economic position shares by age and gender, Greater London, 2017



Source: LFS

Figure 1.2: Economic position shares by age and gender, Greater Manchester, 2017



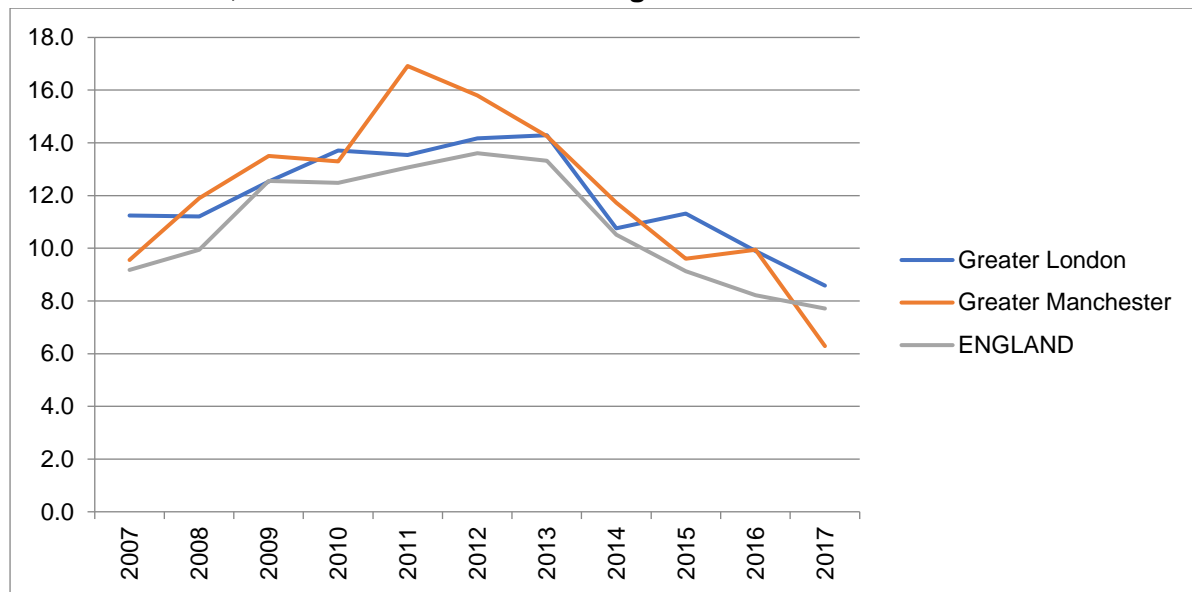
Source: LFS

⁸ Tinson, A., Ayrton, C., Barker, K., Born, T.B. and Long, O. (2017) London's Poverty Profile. New Policy Institute and Trust for London.

https://www.trustforlondon.org.uk/documents/272/LPP_2017_full_report.pdf

Figure 1.3 shows that after increasing in the Global Financial Crisis, the share of young people who are ILO unemployed has been decreasing in Greater Manchester since 2011, in Greater London since 2013 and in England since 2012. By 2017 the share of young people who were ILO unemployed had declined to below pre-recession levels. However, the proportion of young people in employment in 2017 remained slightly lower than the shares ten years previously while the share of 18-24 year olds who were economically inactive increased by approximately 4 percentage points over the decade to 2017.

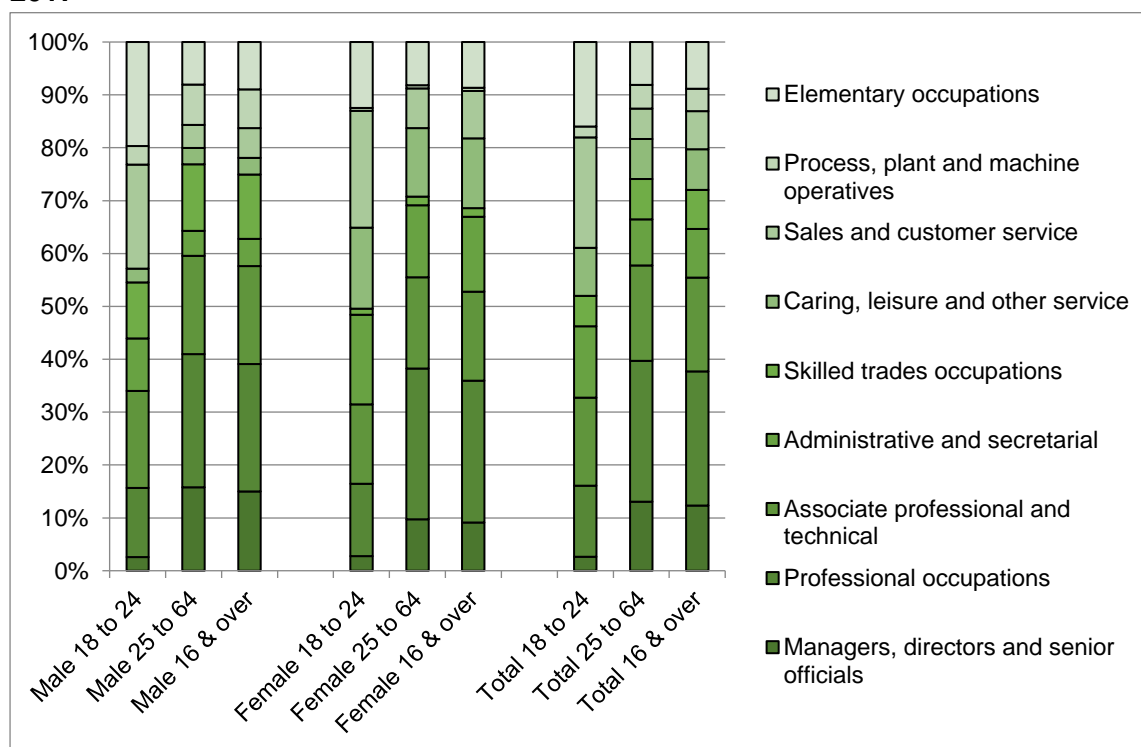
Figure 1.3: Percentage of 18-24 year old residents who are ILO unemployed, 2007-2017, Greater London, Greater Manchester and England



Source: LFS

Figures 1.4 and 1.5 show the occupational profile of young people aged 18-24 years in employment in 2017 in Greater London and Greater Manchester, respectively.

Figure 1.4: Occupational profile of employment by age and gender, Greater London, 2017

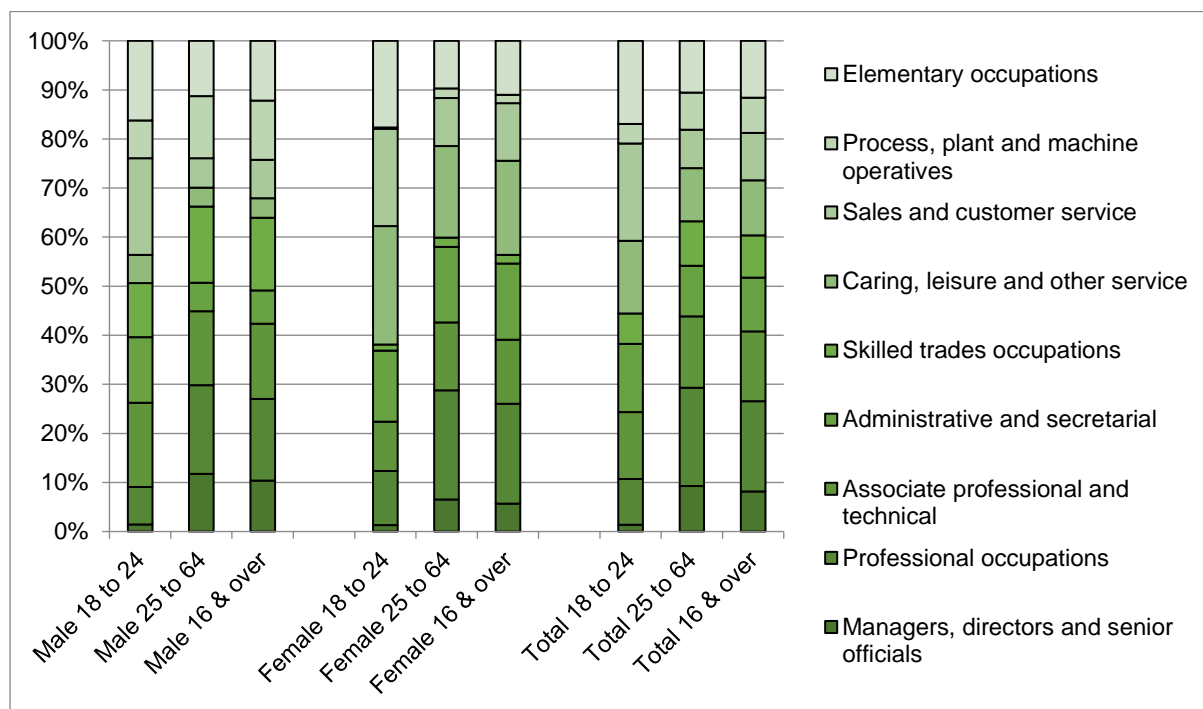


Source: LFS

Despite some key differences in the occupational profile of employment between the two areas – most notably the larger share of employment in higher-level non-manual occupations (notably managerial and professional occupations) in Greater London than in Greater Manchester – distinctive features of the occupational profile of employment amongst young people are common across the two areas. In particular:

- A substantially higher share of 18-24 year olds (both men and women) in Sales and customer service occupations compared with 25-64 year olds. This occupational group accounts for around a fifth of all employment for young people.
- Young people are also disproportionately more likely to be employed in elementary occupations than people in employment aged 25 years and over. Around 16 per cent of young people in Greater London and Greater Manchester were employed in such occupations in 2017.
- Young men are disproportionately more likely to be in administrative & secretarial occupations than men aged 25 years and over. Young women are also over-represented in such occupations relative to those aged over 25 years, but the variation by age is less marked than is the case for men.
- Young men are slightly less likely than those aged over 25 years to be employed in skilled trades occupations.
- A slightly higher share of young women is in caring, leisure and other service occupations than women aged 25 years and over.
- A much smaller share of 18-24 year olds in managerial and professional occupations compared with 25-64 year olds.

Figure 1.5: Occupational profile of employment by age and gender, Greater Manchester, 2017



Source: LFS

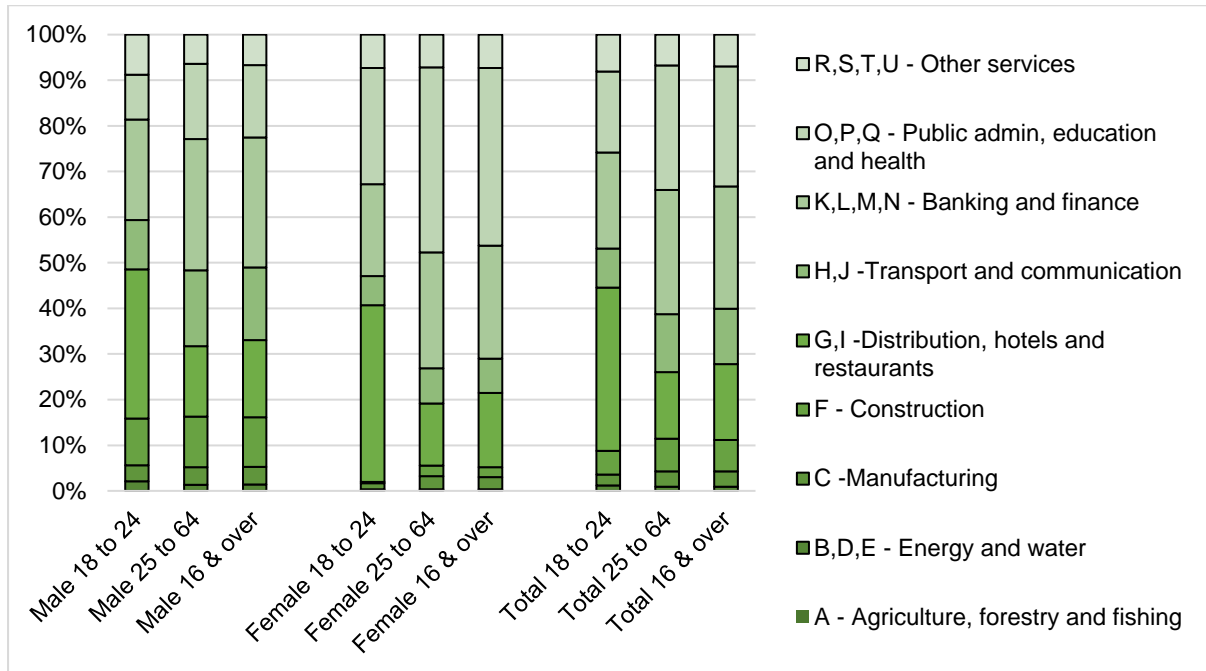
Figures 1.6 and 1.7 show the sectoral profile of young people aged 18-24 years in employment in 2017 in Greater London and Greater Manchester, respectively. Banking & finance accounts for a greater share of employment (nearly 27 per cent of the total) in Greater London, compared with 16 per cent in Greater Manchester. By contrast manufacturing accounts for 9 per cent of employment in Greater Manchester compared with just over 3 per cent in Greater London. Public administration, education and health account for nearly 31 per cent of employment in Greater Manchester, compared with nearly 27 per cent in London. Public sector services are particularly large employers of women.

Key features of variation in the sectoral profile of employment by age are:

- The importance of the distribution, hotels & restaurants sector as a source of employment for young people, accounting for nearly 36 per cent of employment for 18-24 year olds in Greater London and just under 35 per cent in Greater Manchester. This is a sector characterised by flexible working conditions and relatively low pay. The distribution, hotels & restaurants sector is the single most important sector for employment for both young men and young women, but it accounts for a slightly higher share of all employment for young women compared with young men.
- Young people are under-represented in the public sector (for both genders) compared with workers aged 25 years and over.
- Although the share of all young people employed in the other services sector is slightly greater than the share of all workers aged 25 years and over in both Greater London and Greater Manchester, the age distinction is more pronounced in the latter than the former.

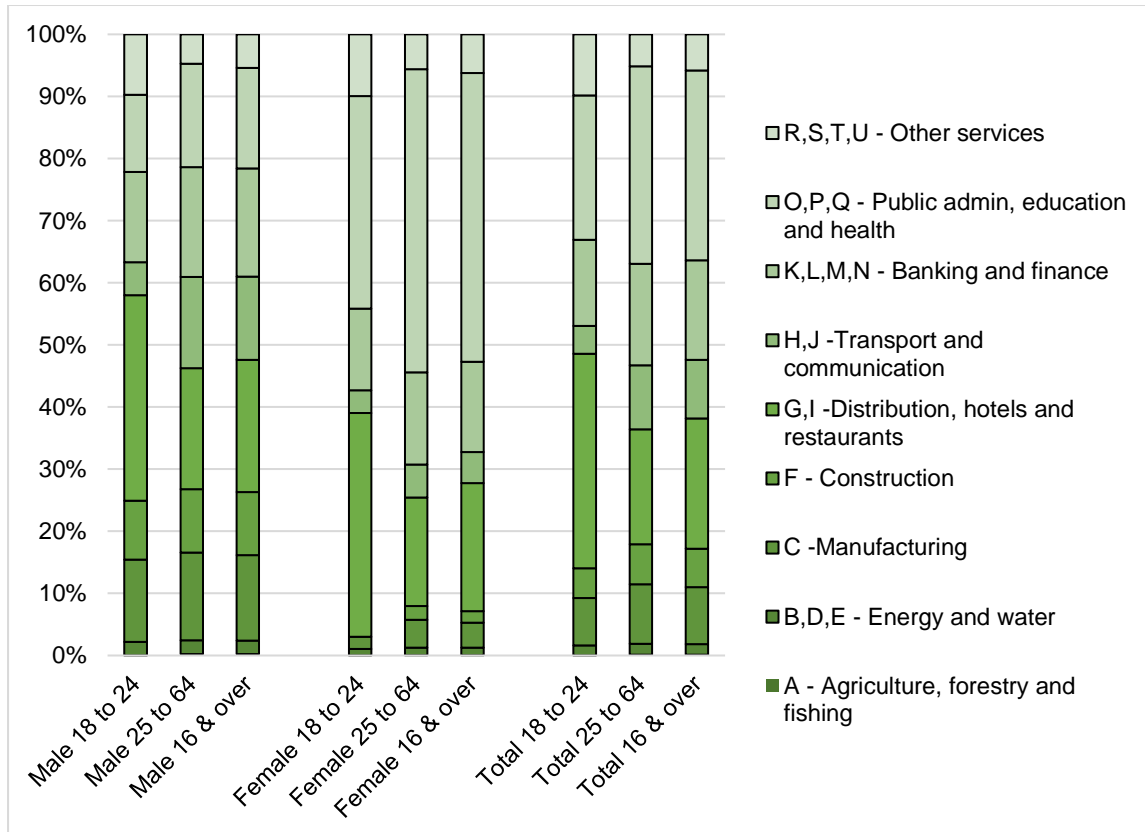
- Slightly smaller shares of 18-24 year olds in employment than of workers aged 15-64 years are in the transport & communication and banking & finance sectors.

Figure 1.6: Sectoral profile of employment by age and gender, Greater London, 2017



Source: LFS

Figure 1.7: Sectoral profile of employment by age and gender, Greater Manchester, 2017



Source: LFS

SUMMARY

This section provided background information on the policy and labour market context at the time the Youth Obligation was developed. Key findings were:

- The Youth Obligation was designed to provide targeted support for young people aged 18 to 21 who were making their first benefits claim. It consists of a mandatory period of intensive activity, followed by reviews that gradually decline in frequency, until the six month point when mandatory participation ends.
- Recognising the problem of young people drifting into long-term unemployment, the programme serves as an early intervention, designed to more unemployed young people into employment, education or training at the earliest opportunity.
- Previous active labour market programmes have been criticised for focussing resources on benefits claimants who are nearest to finding work, a situation that has been exacerbated by outside contracting using a payment-by-results model. The Youth Obligation brings more support under the specific control of Jobcentre Plus, with more in-house provision and a more limited budget for contracting out.
- Disadvantaged young people are more likely to experience unemployment, to be NEET and to be 'hidden NEETs' who are not accessing any form of support. They face various barriers to entering the labour market, and to engaging with public employment programmes, which are related to their previous experience, levels of confidence and specific barriers related to their personal circumstances.
- Young people are more likely than people aged over 25 to find employment in elementary occupations and sales and other customer service occupations. They are also over-represented in administrative and secretarial occupations and under-represented in skilled trades, which reflects changes in the job composition in the labour market more broadly.
- In both Greater London and Greater Manchester, distribution and hotels and restaurants are key sectors for the employment of young people and jobs in these sectors are often characterised by insecure conditions and low pay, highlighting some of the issues young people in these areas face when seeking work.

2. METHODOLOGY

The research consisted of an online survey of 50 young people in full-service Universal Credit who were taking part in the Youth Obligation in Greater London and 30 who were similarly participating in Greater Manchester. Comparator groups of 50 unemployed young people in Greater London and 20 young people in Greater Manchester who were not in a Universal Credit area and who were receiving generic support from Jobcentre Plus were also surveyed. This is followed by interviews with a subsample of 12 young people from the Greater London Youth Obligation cohort, 10 young people from the Greater Manchester cohort and 8 young people from the Greater London non-Youth Obligation cohort to probe issues in more depth.

The longitudinal study was comprised of three waves of the online survey and three waves of online interviews. The first wave was a baseline, identifying the starting point of the young people as they start their benefits claim, the second after six months (the point at which young people taking part in the Youth Obligation who have not found employment or entered education or training have their six month interview. This was also the point at which they would have been mandated to either take up a traineeship, attend a sector-based work academy or do one or more work placements for at least three months. The final wave took place at nine months. This would have been the point at which those who were still taking part in the Youth Obligation would have finished the programme prior to the removal of the mandatory final three months, but which instead was used to assess the short-term outcomes of participation in the youth Obligation.

Attrition across the waves was low. Ninety percent of Youth Obligation participants and 86% of non-Youth Obligation participants completed all three waves of the survey and 96% and 92% respectively completed at least two of the three waves.

Interviews were also been undertaken with 13 stakeholders, comprised of representatives from JCP and organisations providing advice and support for unemployed young people. The majority of those interviewed also acted as gatekeepers in the recruitment of young people to take part in the research.

CHARACTERISTICS OF THE SAMPLE

Young people were eligible to participate in the research if they had one or more markers of disadvantage. These markers were:

- Currently or recently homeless
- Care leavers aged 18-21
- Offenders or ex-offenders
- Current or recent drug or alcohol dependency
- Disabled, including those formerly on ESA or appealing their fit for work decision

- JSA repeaters, i.e. this is not their first JSA claim⁹
- NEET for at least 6 months before benefit claim
- Do not have 5 GCSEs A-C
- Young carers

In practice, as Tables 1 and 2 demonstrate, the majority of participants had multiple markers of disadvantage and, in many cases, complex, interlinking needs.

Table 1 Self-declared vulnerabilities and disadvantages of participants in the survey and interviews

	YO survey %	Non-YO survey %
Currently or recently homeless	16	14
Care leavers aged 18-21	12	6
Offenders or ex-offenders	0	1
Current or recent drug or alcohol dependency	36	38
Disabled, including those formerly on ESA or appealing their fit for work decision	62	64
JSA repeaters, i.e. this is not their first JSA claim	22	16
NEET for at least 6 months before benefit claim	34	32
Do not have 5 GCSEs A-C	72	64
Young carers	6	4

The disabled group includes young people with physical disabilities, mental health issues and learning disabilities. Just over three quarters of those surveyed have more than one disadvantage or vulnerability, including all of the young people who took part in the surveys who are currently or recently homeless and all of those who were NEET for at least six months before their current benefit claim.

Table 2 Single and multiple disadvantage in the survey sample

Number of disadvantage characteristics	YO	Non-YO
One	20	32
Two	27	34
Three	24	20
Four	21	8
Five	6	2
Six	2	4

Male participants outnumber female participants by around two to one across all groups except the young carers and the disabled group. The disabled group is split between a

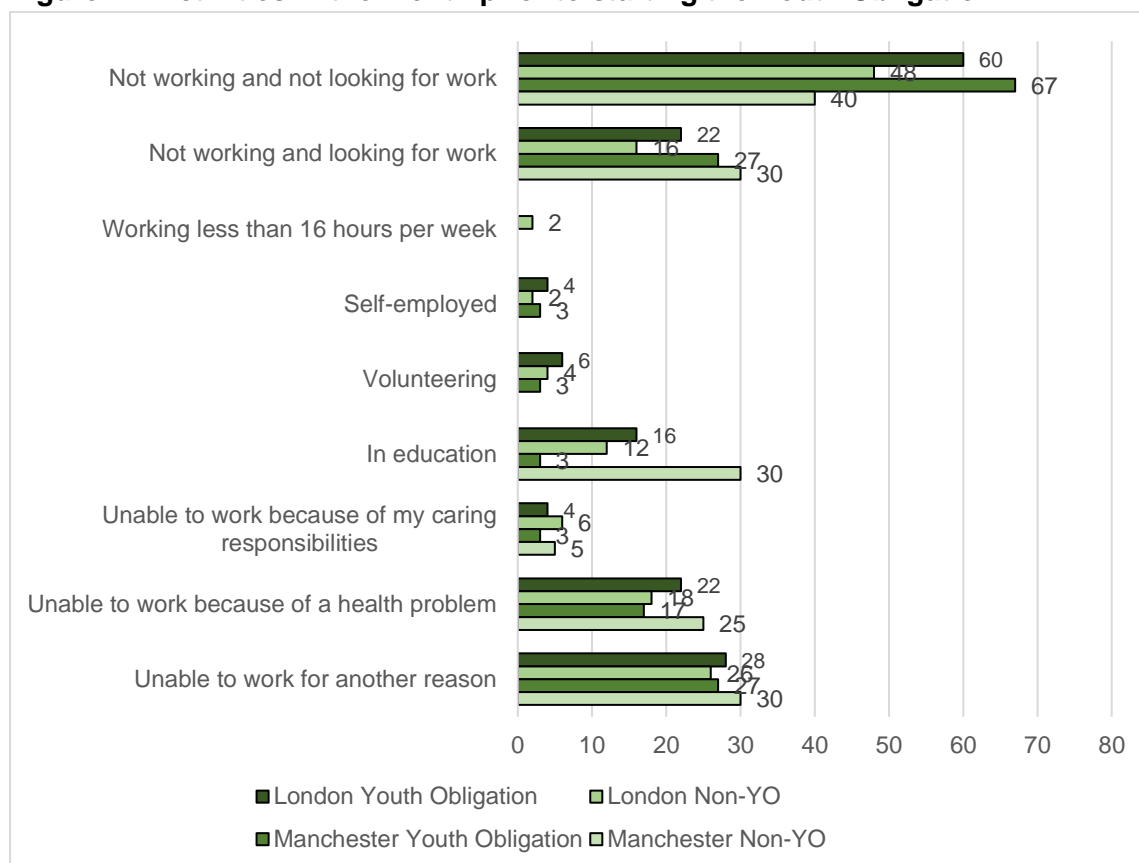
⁹ Under the guidance issued by DWP, this group should not have been eligible for the Youth Obligation, but the research found evidence that young people who had made previous claims were being included if they met the age criteria for the programme.

predominantly male group with learning disabilities and autistic spectrum disorders and a predominantly female group with self-declared mental health issues.

The complexity of the young people's needs presents a particular challenge for work coaches in assessing the support they require, but, as will be seen, this was exacerbated by issues related to disclosure of needs, particularly by young people with mental health issues and drug or alcohol dependencies, as well as the training of work coaches in how to respond to disclosed needs and their knowledge of when to refer a young person to an external organisation and which organisations would be most suitable to assist young people with such complex needs.

As Figure 2.1 shows, prior to making their Universal Credit claim and starting on the Youth Obligation, the majority of participants were not working or looking for work. In many cases, they had recently left full-time education and were beginning to think about their next steps, but a significant proportion were young people who had been NEET but not claiming any benefits. The longest that a young person had been NEET and not claiming any benefits was just over two years. This group commonly cited a perceived inability to work or to engage with JCP as the reasons they had not been claiming benefits. Some also noted that they felt that there was a stigma to claiming benefits so it was something they did only as a last resort, that they expected to be treated badly by JCP and that the amount they would receive in benefits would be too low to encourage them to overcome this hesitation. The proportion of respondents who said that they have a mental health issue that limits the work they can do or their ability to find work but who were not claiming ESA or other disability benefits was also relatively high. Interviews with young people and discussion with service providers suggests that some in this group would be eligible for disability benefits, but that they were reluctant to be assessed for these benefits, meaning that they were not currently in a position to work but were expected to search for work because their issues had not officially been recognised and recorded.

Figure 2.1 Activities in the month prior to starting the Youth Obligation



Source: Wave 1 Survey, n=180

On average, those who had been looking for work had been looking for just over 4 months, but there were two distinct groups: those who had been looking for less than two months, who were primarily school-leavers; and those who had experienced longer term unemployment, often cycling between formal and informal employment, periods where they sought work and periods when, for various reasons, they did not. The total time participants had spent looking for work since they left school spanned a range between 2 weeks and 19 months (although it should be noted that the individual who had been seeking work for 19 months had claimed benefits for less than 3 months during that entire period).

While cycling between employment and unemployment is common, particularly at the lower end of the labour market, the young people in the survey have been of working age for a relatively short time and while some had held short-term, often informal jobs, some in this group were repeat claimants not because they entered and left-employment, but because they simply stopped their benefits claim and stopped officially seeking work.

SUMMARY

- The research in this report consisted of a three-wave online longitudinal survey of young people taking part in the Youth Obligation in Greater London and Greater Manchester and a comparator group in each city who were living in areas that had not transitioned to full Universal Credit and so were not taking part in the Youth Obligation. This was supplemented with three waves of qualitative longitudinal interviews with selected

participants. It also involved interviews with stakeholders in the voluntary and statutory sectors.

- The three waves consisted of a Wave 1 baseline, undertaken when participants joined the Youth Obligation, a Wave 2 survey designed to coincide with the end of their mandatory participation in the programme, and a final Wave 3 survey, nine months after the baseline, that investigated short-term outcomes after completing the programme. Attrition across the Waves was low, and 90% of participants completed all three Waves of the survey.
- Young people were eligible to participate in the study if they had at least one disadvantage characteristic. These characteristics were: Currently or recently homeless; Care leavers; Offenders or ex-offenders; Current or recent drug or alcohol dependency; Disabled, including those formerly on ESA or appealing their fit for work decision; JSA repeaters, i.e. this is not their first JSA claim; NEET for at least 6 months before benefit claim; Do not have 5 GCSEs A-C; and young carers.
- In practice, the majority of participants had multiple markers of disadvantage and the salience of each for their engagement with the Youth Obligation varied at different points in the process, as did their willingness to reveal problems to work coaches.
- Prior to engagement with the Youth Obligation, the majority of participants had little to no experience of seeking work, but there was a significant group who had been NEET but not claiming any benefits and this group, in particular, held quite negative views about the benefits system and Jobcentre Plus.

3. ENGAGEMENT WITH THE YOUTH OBLIGATION

At the time of design, the Youth Obligation consists of five timed stages¹⁰:

- Weeks 1 to 3 – the Intensive Activity Programme (IAP) is a package of around 71 hours intensive support designed to accelerate the claimant's return to work.
- Weeks 4 to 17 - claimants attend tailored weekly work search reviews for intensive support.
- Weeks 18 onwards – claimant attends weekly or fortnightly work search reviews for continued intensive support.
- Month 5 – An in-depth stock take assessment to discuss why the claimant has not found employment or training and next steps.
- Month 6 - Claimants who are on YO but still not in employment or on an apprenticeship must attend a referral interview to encourage them to take up one of the 3 offers of provision. While referral interviews still went ahead following the December 2017 changes, the claimant was no longer mandated to take up a referral if it is for a work placement.

However, in practice, research participants reported no clear understanding of these different stages and the IAP, in particular, appeared to vary in length and intensity across different Jobcentre Plus areas.

At the start of participation, each young person has a 10-minute appointment with their job coach. This appointment is used to identify any particular vulnerabilities the young person has and to decide and agree on a plan, including agreeing the claimant commitment which outlines the expectations placed upon the Youth Obligation participant and the mandation and sanctions that would result from not completing this commitment.

The IAP was conceived as a package of intensive support and structured activities delivered through interactive workshops, work-at-home activities and follow-up appointments with work coaches. The work search reviews conducted between weeks 4 and 17 were to be weekly 20 minute appointments to encourage young people to build upon the IAP and were to be used not only as a means of monitoring compliance with work search commitments, but also as a means of motivating young people, identifying additional support needs, and, if deemed appropriate, referring them to additional support services. From week 18 onwards, the frequency of these meetings could be reduced to every two weeks at the Jobcentre's discretion.

The stock take assessment in the first week of month five of the participant's claim was to focus on why the claimant had not found work or training. This was to be a personalised discussion, focussing on the steps the young person had taken to find work, their personal circumstances, their understanding of the local labour market and their possession of the skills

¹⁰ See Department for Work and Pensions (2018) Support for 18 to 21 year olds claiming Universal Credit <https://www.gov.uk/guidance/support-for-18-to-21-year-olds-claiming-universal-credit>

necessary to find work and their requirements for additional support. At month six, a referral interview was held with claimants who had not found work or entered a traineeship or sector-based work academy (SBWA). Claimants who were referred to a traineeship or SBWA and who did not attend the pre-employment training element of these programmes could be sanctioned, but after December 2017, sanctions would not be applied to young people who did not attend the work placement element of these programmes or a stand-alone work placement. Young people who did not take up any of the three referral options would be placed on the Intensive Work Search Regime (IWSR) at the end of their six-month participation on the Youth Obligation.

As can be seen, multiple points at which a more personalised approach, including referrals to specialist services, are built into the Youth Obligation programme. The need for personalisation of employment support service, and the need to move away from seeing the role of benefits advisors as primarily being determination of eligibility for benefits to one that encompasses more personal conversations about claimants' lives and behaviours¹¹, has long been acknowledged in UK policy-making¹². However, the nature and practical application of this 'personalisation' has often been unclear and benefits claimants' experiences have been mixed¹³. Personalisation can fall into two categories: procedural personalisation and substantive personalisation. Procedural personalisation refers to the interaction between JCP staff and participants and the extent to which participants consider themselves to be treated with sensitivity and respect. Substantive personalisation is the extent to which services are tailored to the individual needs and aspirations of participants¹⁴.

Personalised support for disadvantaged young people facing particular barriers to engagement with the Youth Obligation and to finding work is particularly important, and the APPG on Youth Employment noted in 2018 that "Those young people furthest from the labour market who enter on to an employment or employability scheme without first tackling these barriers means that they do not pass the necessary milestones and often they fail or fall of the course"¹⁵. The primary mechanism of personalisation in the Youth Obligation is the use of work coaches who provide one-to-one support for young people during their six-month

¹¹ Meyers, M., Glaser, B. and MacDonald, K. (1998), 'On the front lines of welfare delivery: are workers implementing policy reforms?'. *Journal of Policy Analysis and Management*, 17(1): 1–22

¹² Fuertes, V. and Lindsay, C. (2015) 'Personalisation and street-level practice in activation: The case of the UK's Work Programme'. *Public Administration* 94(2): 526-541; Torrien, M., Sainsbury, R., Drew, P. and Irvine, A. (2013) 'Putting personalisation into practice: Work-focussed interviews in Jobcentre Plus'. *Journal of Social Policy* 42(2): 309-327.

¹³ Needham, C. (2011) 'Personalization: From Story-Line to Practice', *Social Policy and Administration*, 45(1): 54–68.

¹⁴ Sainsbury, R. (2017) 'Activation in the UK: The frontline and the 'black box' of employment service provision' in van Berkel, R., Casswell, D., Kupka, P. and Larsen, F. (eds.) *Frontline delivery of welfare-to-work policies in Europe: Activating the unemployed*. Routledge.

¹⁵ All Party Parliamentary Group on Youth Employment Report (2018) Those furthest from the labour market: An inquiry into best practice that helps young people furthest from the labour market into employment. APPG and Youth UK.

https://www.michaeltomlinson.org.uk/sites/www.michaeltomlinson.org.uk/files/2018-02/Those%20Furthest%20From%20The%20Labour%20Market%20-%20Youth%20Employment%20APPG%20Report%20-%20S_0.pdf

participation in the programme. This can be supplemented by referrals for specialist support identified through the Dynamic Purchasing System.

However, this drive towards personalisation has coincided with two other policy developments that impact on the degree and type of personalisation that can be achieved by work coaches. Firstly, there has been a reorganisation of Jobcentre Plus services and the closure of some JCPs, with a decreased emphasis on specialisation amongst advisors and an increased focus on ensuring claimants are able to interact with a single advisor throughout their claim. This means that each individual advisor has greater responsibility for identifying and responding to the needs of an individual, but that in complex cases, they may lack the specialist knowledge and contacts to do this effectively. Secondly, there has been an intensification of the use of outcome-based targets as a means of assessing the efficacy of employment services and individual advisors, as well as related measures of value for money, performance and accountability to the tax-paying public¹⁶. It has been argued that such developments limit the ability of advisors to apply discretion¹⁷, particularly when working with people with complex or additional support needs, with achieving the efficiency benefits associated with standardisation being given primacy over delivering a more responsive service¹⁸. This can be seen in the limited amount of time given to work coaches in the initial meeting, with just 10 minutes being suggested for a meeting that is designed to allow the work coach to encourage young people to disclose complex issues, assess the impact of often complicated personal circumstances, and, if necessary, adjust the requirements expected of the young person before they are formalised in the claimant commitment. It has been suggested that it can take between four and six months for some young people to develop the relationship and trust necessary for them to disclose sensitive information¹⁹.

PARTICIPANTS' VIEWS ON THE CONTENT AND PERSONALISATION OF THE PROGRAMME

The Youth Obligation was designed as an early intervention to stop young people drifting into long-term unemployment, but much of this intervention focussed on practical mechanisms for helping participants identify potential jobs and apply for them, and the extent to which this support was personalised to the needs of disadvantaged young people appeared to be limited.

This is demonstrated by three issues identified by participants in the surveys and interviews:

1. A lack of understanding of the personal circumstances of disadvantaged young people and how this impacted on their ability to engage in the Youth Obligation and to find, secure and sustain employment or training;

¹⁶ Fletcher, D. (2011) 'Welfare Reform, Jobcentre Plus and the Street-Level Bureaucracy: Towards Inconsistent and Discriminatory Welfare for Severely Disadvantaged Groups?' *Social Policy and Society* 10(4): 445-458

¹⁷ Van Berkel, R. and van der Aa, P. (2012) 'Activation Work: Policy Programme Administration or Professional Service Provision?' *Journal of Social Policy* 41(03): 1-18.

¹⁸ Sainsbury, R. (2008), 'Administrative justice, discretion and the "welfare to work" project', *Journal of Social Welfare and Family Law*, 30(4): 323-38

¹⁹ Elliott, S. and Dulieu, N. (2018) *Working Well? Young People's Experiences of Jobcentre Services*. Young Women's Trust and 4 in 10.

https://www.youngwomenstrust.org/assets/0001/0106/YWT_4in10_Report_v04.pdf

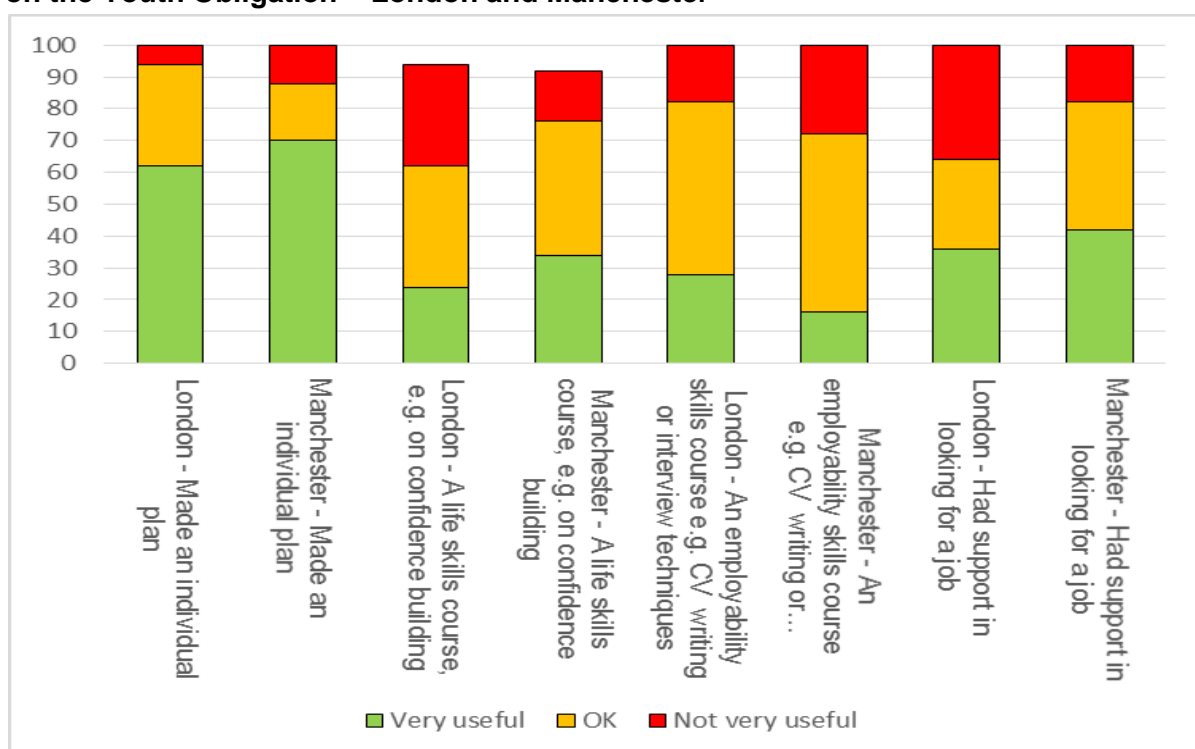
2. Low levels of referrals to specialist support services through formal referral and commissioning mechanisms;
3. Limited evidence of joined up thinking that situated the Youth Obligation within a wider framework of education and employment support. This was evident both in limited recognition of the Youth Obligation as one element in a longer, often non-linear, transition to work for many disadvantaged participants and limited links made by many Jobcentres with the wider network of voluntary and statutory organisations providing support for disadvantaged young people.

The following sections discuss each of these issues in turn.

UNDERSTANDING OF PERSONAL CIRCUMSTANCES

At three months, all the participants who remained with the programme had created an individual plan designed to identify the support they needed, had taken part in some form of employability skills training, largely focussed on creating CVs, and had been given support in looking for a job, primarily focussed on the systems used to search for work and how to record these searches. Participation in life skills courses, for example, to build confidence, was also high. The creation of an individual plan is the clearest example of personalisation identified by participants on the programme and, as Figure 3.1 shows, it was the element of support that was rated most highly by participants.

Figure 3.1 Respondents' views on the usefulness of various activities undertaken while on the Youth Obligation – London and Manchester



Source: Wave 2 Survey: n=95

However, there are questions about the extent to which the development of this plan represents procedural rather than operational personalisation, in other words, whether

personalisation went beyond simply trying to find out about the issues faced by disadvantaged young people to acting on this information and tailoring the programme to meet their needs.

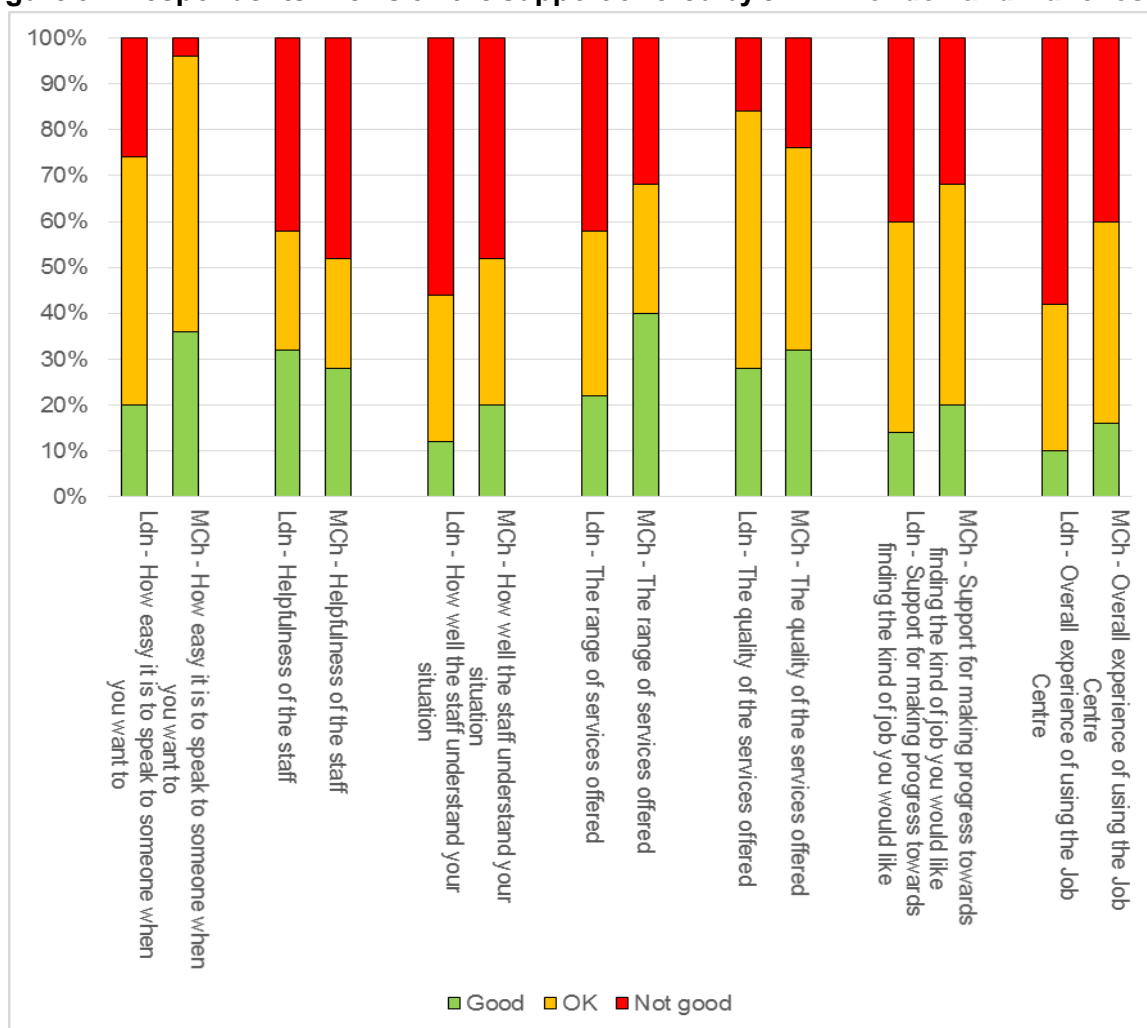
GOOD PRACTICE SUGGESTION: The development of an individual plan covering the aspirations of the young person and their route to achieving them was regarded as beneficial by participants and currently appears to be the most personalised aspect of the programme. However, a similar level of personalisation was not seen in the activities subsequently undertaken by participants. **There should be greater personalisation of the employability support offered**, taking into account the previous experiences of participants and their ability to engage with different types of support and learning, rather than cycling participants through a generic set of activities that left them dissatisfied and disengaged, as well as wasting resources in the duplication of activities participants had previously undertaken.

When participants were asked about their views on the support offered by Jobcentre Plus as part of the Youth Obligation, as Figure 3.2 demonstrates, while the majority of participants thought it was very or quite easy for them to speak to someone when they wanted to, with this figure being as high as 96% amongst Youth Obligation participants in Manchester and 74% in London, the proportion of disadvantaged young people who rated the helpfulness of staff as good or ok was considerably lower, at 58% for participants in London and 52% in Manchester. Similarly, the proportion of young people who thought that Jobcentre staff understood their situation was low. Just 44% of Youth Obligation participants in London thought that Jobcentre staff's understanding of their situation was good or ok, and just 12% described it as 'good', with the figures for Manchester participants being slightly higher at 51% and 20% respectively.

These figures reflect the experiences of participants taking part in the Youth Obligation and those who were in non-full service Universal Credit areas who were receiving more generic support from Jobcentre Plus. Research by the Young Women's Trust has shown that one a third of young female job seekers and 44% of young male job seekers felt that they were getting personalised support from their job coach²⁰.

²⁰ Young Women's Trust (2018) *It's (still) a rich man's world*, <https://www.youngwomenstrust.org/still-rich-mans-world>

Figure 3.2 Respondents' views on the support offered by JCP – London and Manchester



Source: Wave 2 survey. n=95

There appeared to be a high level of variability in how participants viewed their relationship with their work coach. Participants identified some issues with staff turnover or being frequently moved between Jobcentre staff and in interviews, participants commented that they did not think their advisor had time to discuss issues that were not related to the procedure of looking for work. Some suggested that their advisor was not interested or that they did not expect them to be interested in anything beyond this.

“[My job 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. Cos like, it’s the housing innit, like that’s what I’ve got to sort out, with the Council and that to get me a place, and that ain’t her.”

(Youth Obligation participant who became homeless after starting the programme)

There was a significant group of participants who held negative views about Jobcentre Plus and who, as a result, expected to, and perceived themselves to be, treated poorly. This was a concern for two reasons. Firstly, it made them less likely to disclose issues that were hindering their participation in the programme, such as worsening mental health or re-emergence of addiction issues. Secondly, it had resulted in some participants viewing advice very negatively.

This was an issue when participants were offered certain types of additional support, but also when they were discussing their career plans. At three and six months, while participants were broadly realistic about the amount of money they anticipated earning when in employment (generally at or near the minimum wage) and the majority aspired to employment that was in line with the availability of jobs in the local labour market outlined in Section 1, some were less realistic about the careers they wanted to enter. However, they were somewhat dismissive of suggestions for alternative careers, suggesting that these recommendations were being made because work coaches were making judgements about their personal suitability for the kind of employment they aspired to, rather than the general availability of such jobs.

GOOD PRACTICE SUGGESTION: The stigma associated with claiming benefits was affecting the relationship between some young people and their work coaches. This made young people unwilling to disclose issues that affected their participation in the programme, as well as their ability to find employment. **JCP should work to create an environment that is welcoming and supportive of disadvantaged young people**, both physically and psychologically, to prevent disengagement or the waste of resources inherent in the delivery of inappropriate services.

This is a common finding in research on young people's experiences of the Jobcentre²¹ which highlights the stigma young people perceived as benefits claimants and how their relationship with Jobcentre advisors reinforced pre-existing views that engaging with employment services was frightening, humiliating and not very useful. As will be seen in Section 4, this has significant implications for retention of disadvantaged young people on the Youth Obligation and their continued ability to claim the benefits and other support they need.

REFERRALS TO SPECIALIST SUPPORT SERVICES

As has been noted, the potential for referrals to external organisations identified and commissioned through the Dynamic Purchasing System (DPS) was built in to the design of the Youth Obligation, with funding available to Jobcentres for these services. However, evidence from the experiences of the young people who took part in the research and from interviews with representatives of voluntary sector organisations suggests that referrals have been limited and there appeared to be a reluctance to spend from this budget²². It has been

²¹ See, for example, Jones, K.E., Martin, P.B. and Kelly, A. (2018) Hidden young people in Salford: exploring the experiences of young people not in employment, education or training (NEET) and not claiming benefits. University of Salford and Salford City Council. <http://usir.salford.ac.uk/id/eprint/48944/1/Hidden%20NEETS%20report.pdf> and YMCA England (2015) *Safety Net or Springboard: A report examining the role of the job centre in supporting young people to find long-term employment*. https://www.ymca.org.uk/wp-content/uploads/2016/07/YMCA_Safety-Net-or-Springboard_web.pdf

²² It should be noted that this research took place when the Youth Obligation was a new programme, and it may be the case that formal referral channels were not fully developed at this time. It is also the case that many of the young people who participated in the research were recruited through voluntary organisations who were already providing them with additional support outside the Youth Obligation, reducing their need for formal referral to these organisations. In total, 90% of participants had been engaged with voluntary or statutory sector services while they were on the Youth Obligation, but the overwhelming majority of this engagement was either the result of young people voluntarily seeking

suggested that these kinds of partnerships are not always led by need and selection of referral organisations and programmes can instead be driven by the cost of the programme offered, as well as the spread of organisations available for contracting through the DPS²³. It may also be the case that, as the programme seeks to disassociate itself from the problems identified with the Work Programme, there is a reluctance to become too reliant on contracting out of employment support and to keep as much as possible within the specific control of Jobcentre Plus.

GOOD PRACTICE SUGGESTION: Disadvantaged young people would benefit from greater levels of referral to external support organisations and greater contracting of services from these organisations. The issues faced by disadvantaged young people are complex and multifarious, encompassing a range of issues that are not directly related to employment but nonetheless impact on their ability to seek and secure it. It is unreasonable to expect all work coaches to have the experience and knowledge to identify and support young people facing such complex issues. **There should be greater engagement with external service providers, including, if necessary, the sharing of information with organisations who are already supporting the young person outside the Youth Obligation, allowing these organisations to advocate on behalf of young people** who often struggle to advocate on their own behalf.

Participants were unaware that they could be referred to other organisations and when they were, they believed that these referrals were 'suggestions' of other organisations that could help them, rather than formally commissioned services designed to support their journey to work. At the three-month point, 43% of Youth Obligation participants in London and 40% of Youth Obligation participants in Manchester stated that there was support that they would like that JCP did not offer.

Excluding referrals to the Prince's Trust's employment support offer, the most common referrals outside Jobcentre Plus were for specific types of counselling, for example, anger management, and organisations providing focussed support for young people looking for specific types of work. Despite the low levels of literacy demonstrated by the participants, participation in- or referrals to basic skills courses were relatively rare, as were referrals to therapeutic support for those experiencing mental health issues.

This again highlights the limited extent to which the operation of the Youth Obligation has moved beyond procedural personalisation to incorporate more focussed and evident aspects of substantive personalisation for disadvantaged young people who require additional support extending beyond standard work-first approaches focussed on searching for work, CV writing and other administrative activities.

support, with this support often being a continuation of support they were receiving prior to joining the Youth Obligation, or formal, mandated engagement with social services and other statutory sector bodies.

²³ Elliott, S. and Dulieu, N. (2018) op. cit.

JOINED UP APPROACHES TO SUPPORTING DISADVANTAGED YOUNG PEOPLE

The Youth Obligation is just one of the employment support services available to disadvantaged young people, and their time of the programme is limited. However, there was limited evidence that the Youth Obligation was fully embedded either as part of a participant's journey to work or within the wider network of voluntary and statutory support services working with disadvantaged people, as evidenced by the lack of referrals to these organisations. This resulted in a programme that was viewed by participants and stakeholder interviewees as being designed and operationalised in a vacuum, leading to duplication of services, inefficiencies related to the mandation of activities that were seen as lacking usefulness and a general sense of 'activity for activity's sake'. This has been recognised as an issue in the operation of previous employment programmes, most notably in the case of disadvantaged people's engagement with the Work Programme. It has been related to concerns about the 'parking' of people who were furthest from the labour market, limiting their access to specific support while putting them through a series of generic employability initiatives that did little but fill their time.

These concerns were intensified by the lack of information about the programme that was available to external organisations and limited formal channels for information sharing, particularly in relation to vulnerable young people.

Participants on the Youth Obligation were most critical of the way the programme appeared to duplicate activities they had previously undertaken, such as CV writing and other activities that fall under a work-first approach, rather than one designed to develop human capital.

"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)

"They just tell you how to make a CV. Then they tell you to make it a different way. Like every day, that's all we did."

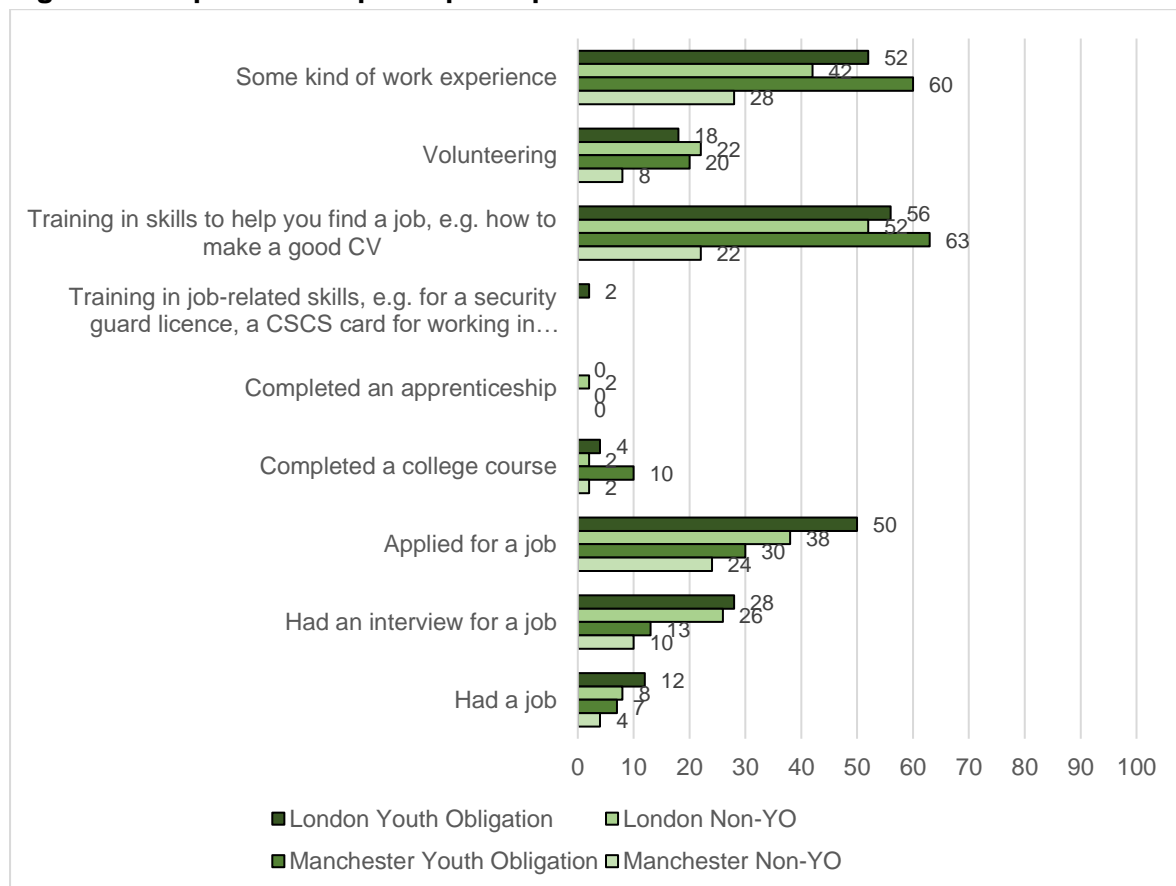
(Youth Obligation participant with low qualifications)

As Figure 3.3 shows, with the exception of the non-Youth Obligation cohort in Manchester (22%), over half of the disadvantaged young people participating in the research (56% of the London Youth Obligation cohort, 63% of the Manchester Youth Obligation cohort and 52% of the London non-Youth Obligation cohort) said that prior to starting the Youth Obligation, they had already received training in skills to help them to find a job, with the majority of this training happening while the participant was at school or college. Interviews with participants suggested that, as indicated above, this largely focussed on CV writing. However, all participants who completed the IAP indicated that they had been required to take part in an employability skills course while on the Youth Obligation and interviews with participants suggested that CV writing was a common feature of these courses. This is a concern, because it suggests either that there is little recognition of prior experience and tailoring of the programme to reflect this experience, resulting in an inefficient duplication of support, or there are significant failings in this aspect of careers advice in schools, such that young people are

leaving school with CVs and other skills that are unsuitable for finding work. Most importantly, there appears to be little evidence of attempts assess why this appears to be a continuing issue in the provision of employment services for unemployed people or to put in place interventions either at school-level or in employment programmes this kind of systems failure.

GOOD PRACTICE SUGGESTION: An assessment should be made of why there are such significant levels of duplication in the services offered to young people as part of their preparation for entering the labour market, and where there are problems in the system that promote this duplication of effort.

Figure 3.3 Experience of participants prior to their current benefits claim



Source: Wave 1 survey: n=180

Figure 3.3 also shows that over half of Youth Obligation participants (52% in London and 60% in Manchester) had some kind of work experience prior to starting the Youth Obligation. However, this was generally limited to short work experience placements as part of the personal development curriculum in schools, and was not viewed by participants as giving them a particular advantage in finding employment. The baseline surveys and interviews for this research were conducted prior to the removal of the mandatory work placement element of the research, and there was a relatively high degree of support for this aspect of the programme amongst young people, who, as will be seen in Section 5, considered themselves to be particularly disadvantaged in the labour market by their lack of work experience.

Participants thought that, as long as the work experience was related to their career aspirations and they were treated fairly, this aspect of the Youth Obligation could prove to be amongst the most beneficial parts of the programme.

While the Youth Obligation contains aspects of a development of human capital approach that recognises that not all young people are equipped with the skills, qualifications and experience necessary for them to immediately find employment, particularly in the promotion of training and sector based work academies, take-up (and offer) of these opportunities has been low amongst disadvantaged young people. This leaves them in a situation where the majority of support offered to them focuses on the practicalities of finding work, with little recognition that many of these young people are far from the labour market and that their journey to finding and sustaining employment is likely to be a long and fractured one that requires not only support for other issues in their lives, but also in accessing opportunities that allow them to become employable. Without this support, disadvantaged young people were either dropping out of the system completely or were engaging in increasingly futile work searches and job applications.

“I want to do volunteering, with children or something. You know, something where there is not too much pressure, so I can build myself up. You know, like, do that and then get a job. Because I don’t have the confidence, it’s really hard for me, you know the social side, talking to people, I find that really hard and I don’t really do it, I don’t talk to hardly anyone at the moment, except my family, because all my confidence is gone. I just need something small, to start me off, build me up again. I don’t think you can do that, though” (Youth Obligation participant with mental health issues, London)

GOOD PRACTICE SUGGESTION: The appropriateness of models to deliver human capital gains should be assessed. Currently, disadvantaged young people appear to be missing out on opportunities to undertake training and other developmental activities as part of the Youth Obligation, due to their existing low levels of human capital. Many of the young people lack the basic skills necessary to successfully complete a training programme or take part in a sector skills academy. **Disadvantaged young people, who are often far from the labour market need to be given more, and more diverse, opportunities to develop their basic skills as part of a longer-term approach to enabling these young people to gain the job-specific skills they need to find appropriate**

SUMMARY

This section examined the activities young people on the Youth Obligation took part in and the philosophy behind the provision of these activities. Key findings were:

- A key tenet of the Youth Obligation was that it should be personalised to the needs and aspirations of individual young people. This personalisation can take two forms: procedural personalisation, which focuses on interaction between the young people and JCP staff and the extent to which the young people feel listened to and treated with respect; and substantive personalisation, which is the extent to which services are tailored to the needs of participants.

- The primary mechanism for personalisation under the Youth Obligation is the use of work coaches to provide one-to-one support for young people, supplemented by spot purchasing through the Dynamic Purchasing System. However, there have been various developments in the delivery of JCP services that limit the extent to which work coaches can use discretion and take a more personalised approach to supporting young people, including the use of outcome-based targets and a move away from specialisation. Work coaches have a limited amount of time they can spend with any one claimant, which is particularly problematic for disadvantaged young people, who may need more time to explain complex situations or simply to get to know their work coach so that they feel comfortable disclosing particularly sensitive information about their personal circumstances. The impact of this is that an individual's Claimant Commitment, which they are expected to abide by throughout their benefits claim, may be drawn up without a full understanding of the barriers to participation that the young person may face.
- Many of the interventions that fall under the Youth Obligation focus on practical support to help participants identify potential jobs and then apply for them. There appeared to be limited personalisation in the support provided to Youth Obligation participants for three reasons: There was a lack of understanding on the part of the work coaches of the extent and type of disadvantage the young people were facing and how this impacted on their ability to find employment or move into education or training; possibly as a consequence of this lack of understanding, although also for control and budgetary reasons, referrals to specialist support services was limited; finally, there appeared to be a lack of joined up thinking when considering a young person's journey from education into employment, including limited engagement with schools and with the voluntary sector, resulting in a degree of duplication in the support provided to young people.
- As a result of this duplication of activities between school or college and the Youth Obligation, many participants held negative views about the support provided, seeing it as a process of time-filling, rather than something designed to actually help them into the labour market. Making an individual plan was viewed positively, but activities like making a CV were not.
- There appeared to be a great deal of variation in the support provided across different JCPs and by different work coaches. A similar lack of consistency can be seen in the application of sanctions and easements (allowing a young person to temporarily withdraw from the programme without it affecting their benefits entitlement).
- While elements of the Youth Obligation can lead to the development of human capital through the provision of training and sector based work academies, take up of these opportunities by disadvantaged young people was low, meaning that the activities they undertook were more closely associated with a work-first approach focussed on providing them with the practical skills they required to seek work, but ignoring the bigger issue of whether the young people were actually ready and able to secure and sustain employment.

CASE STUDY: KIRA

Kira joined the Youth Obligation after almost a year of being unemployed and claiming no benefits. She had left college with one GCSE, largely due to problems she had with the school environment that had led to her being repeatedly suspended. Difficulties in her family had seen her unofficially leave her mother's house, moving in first with her grandmother and then sofa-surfing in the homes of various friends.

"I never got on with my mum's boyfriend, he never liked me and I never like him, so after I left college I like kind of moved out. Like it wasn't official because all my stuff was there, but it wasn't where I wanted to be, it wasn't my home no more, not to me.

I went to my nan's, because she's alright and she likes having people around, and it was like 'yeah, I'll just stop here for a couple of days' and then I'd stay on. But she never liked me drinking and toking, she was always having a go at me about that, and I got bored of all that. I've cleaned up now, I mean, I'm not saying I don't, but it's not my life now, like it kind of was before.

So I started staying at my mates' places if I was too out of it, and then like I'd stay for a couple of days then go to the next place, just with whatever I had with me, clothes-wise. I'd go back to my nan's sometimes and then go off again.

In the end, my nan was like 'Kira, you've got to sort it out, is this going to be your life?' and you know, I didn't want it to be. So, like, she took me back in and that's when I went to the Jobcentre to get on the benefit and they put me on this Youth Obligation thing" (Wave 1)

Kira was initially very enthusiastic about the Youth Obligation, in particular the opportunity to get work experience, that she thought was one of the things that was a barrier to her finding work, but when she was not offered any type of work experience, she became disillusioned with the programme and by the four month point, she had dropped out.

"I wanted to work, that is the only thing I wanted, because having your own money, you've got your independence, you don't rely on no-one, it would have been me and my nan, we'd have been grand.

But they never done that, no one never mentioned nothing to me about work experience or anything like that, because I'd have done it, you know I would, I'd have done it for free for a week or however long, because I'm not stupid, I've got a mouth on me, but I'm not stupid, I can work a till or whatever, to show them I wanted the job.

But that never got offered to me, it was just a waste of time. Apply for jobs that you're not gonna get because you've got no experience and no GCSEs and just, like, carry on doing that like some kind of magic's going to happen. It ain't" (Wave 3)

She stated that she did not know why she had not been offered any kind of work experience, concluding that although she had got on with her work coach, "perhaps they didn't like me".

Since leaving the Youth Obligation and stopping her benefits claim, Kira had worked sporadically as a commercial cleaner, employment she had found through a friend's mother who was also a cleaner, but this did not represent a steady income and she was again dependent on her grandmother's support.

"This can't be forever, but I don't know what to do" (Wave 3)

4. RETENTION ON THE YOUTH OBLIGATION

The previous section highlighted the ways in which the concept of personalisation in the Youth Obligation was not always translated into effective practice. This section looks at the consequences of this gap between policy and practice for disadvantaged young people.

As was noted in Section 1, welfare policy in the UK has been characterised by a rights-and-responsibilities approach, and conditionality has long been a feature of the benefits system. However, there has been a growing trend towards both an increase in the severity of sanctions applied and the use of sanctions to influence the behaviour of claimants by incentivising them to move off benefits and into work²⁴. The greater use of conditionality and sanctions in UK active labour market policies has been linked to a greater focus on supply-side problems in the labour market, in particular, the increasingly prevalent rhetoric linking unemployment to personal deficiencies in work ethic²⁵.

The disproportionate impact such a regime can have on the young and most vulnerable claimants has been consistently highlighted. Evidence from the UK has shown that young people are more likely to be sanctioned than any other age group²⁶, while the impact on various disadvantaged groups has been consistently demonstrated. Research has shown that claimants with the most profound and complex barriers to work are commonly subject to full conditionality and frequently fail to meet these requirements²⁷. Groups that have been identified as being particularly affected by sanctions include the homeless²⁸, drug users²⁹ and prison leavers³⁰. It has been suggested that these groups are disproportionately likely to face sanctions for three reasons. Firstly, their personal circumstances limit the extent to which they can alter their behaviour to avoid sanctions; Secondly, disadvantaged people are particularly unlikely to have a full understanding of the system and how to navigate it to avoid being sanctioned³¹; and thirdly, the coercive mechanisms underlying welfare conditionality, including close monitoring of activity, intensive record keeping and periodic interrogation and

²⁴ Miscampbell, G. (2014). *Smarter sanctions: Sorting out the system*. Policy Exchange. <https://policyexchange.org.uk/wp-content/uploads/2016/09/smarter-sanctions-1.pdf>

²⁵ Fletcher, D. (2011) *op. cit.*

²⁶ Salford City Partnership (2016) *DWP Benefit Conditionality and Sanctions in Salford - One Year on* http://www.partnersinsalford.org/documents/DWP_Benefit_Conditionality_and_Sanctions_in_Salford_-_One_Year_On_.pdf; Watts, B., Fitzpatrick, S., Bramley, G. and Watkins, D. (2014) *Welfare sanctions and conditionality in the UK*. Joseph Rowntree Foundation. <https://www.jrf.org.uk/sites/default/files/jrf/migrated/files/Welfare-conditionality-UK-Summary.pdf>

²⁷ Fletcher, D. and Flint, J. (2018) 'Welfare conditionality and social marginality: The folly of the tutelary state?'. *Critical Social Policy* 38(4): 771-791.

²⁸ Crisis, The Homeless Link and St Mungo's (2014) *The Programme's Not Working: Experiences of Homeless People on the Work Programme*.

²⁹ Social Security Advisory Committee (2010) *Report of the Social Security Advisory Committee Made under Section 174(2) of the Social Security Administration Act 1992 on the Social Security (Welfare Reform Drugs Recovery Pilot Scheme)*, Regulations 2010. London

³⁰ DWP (2014) *Evaluation of Day One Mandation of Prison Leavers to the Work Programme*. DWP Research Report No. 897. London: DWP

³¹ See Scottish Government. (2013). *The potential impacts of benefit sanctions on individuals and households*, Edinburgh: Scottish Government; Griggs, J., & Evans, M. (2010). *Sanctions within conditional benefit systems: A review of evidence*. York: JRF.

reporting³², can alienate particular groups, leading to disengagement. Research has shown that benefits claimants often felt at the mercy of an unpredictable system that imposed strong sanctions for minor infringements³³. These issues can be seen clearly amongst Youth Obligation participants, as is discussed in more detail below.

These concerns have been noted by policy-makers, but little has been done to reverse the growing trend towards universalist measures of conditionality that take little or no account of personal circumstances. The House of Commons Committee of Public Accounts warned in 2013 that they were “concerned that these sanctions may unfairly penalise the most vulnerable claimants”³⁴ while a review of JSA sanctions in 2014 advised that they had identified “a vulnerable group who tended to be sanctioned more than others because they struggled to navigate the system”³⁵.

Sanctions have been found to promote disengagement from the benefits system³⁶ and there have been consistent concerns expressed about the large number of people who leave the benefit system to ‘unknown destinations’, rather than because they have entered employment³⁷.

DROP OUT FROM THE YOUTH OBLIGATION

Less than half (48%) of the disadvantaged young people who started the Youth Obligation were still on the programme at the six-month point, when their mandatory engagement ended. However, in the majority of cases, this was not because they had found work or training. Overall, just 8% of participants had left the programme because they had found work and 2% because they had entered a training programme, while 40% of participants had left and stopped claiming benefits at some point during the six months because they felt that they were unable to continue their engagement³⁸.

³² Wacquant, L (2009) *Punishing the Poor: The Neoliberal Government of Social Insecurity*. Durham, NC: Duke University Press

³³ Dwyer, P., Jones, K., McNeill, J., Scullion, L. and Stewart, A.B.R. (2018) ‘Final Findings: Universal Credit’. Welfare Conditionality: Sanctions, Support and Behavioural Change. ESRC.
<http://www.welfareconditionality.ac.uk/wp-content/uploads/2018/05/40414-Universal-Credit-web.pdf>

³⁴ House of Commons Committee of Public Accounts (2013) Department for Work and Pensions: Responding to Change in Jobcentres. Fifth Report of Session 2013–2014. Stationery Office, p 9.

³⁵ Oakley, M. (2014). Independent review of the operation of Jobseeker’s Allowance sanctions validated by the Jobseekers Act 2013. Her Majesty’s Stationery Office, p 35.

³⁶ See, for example, Griggs, J, Bennett, F (2009) *Rights and Responsibilities in the Social Security System: Social Security Advisory Committee Occasional Paper No. 6*. Department of Social Policy and Social Work, University of Oxford; House of Commons Committee on Public Accounts (2017) *Benefit Sanctions: Forty-second Report of Session 2016-2017*.

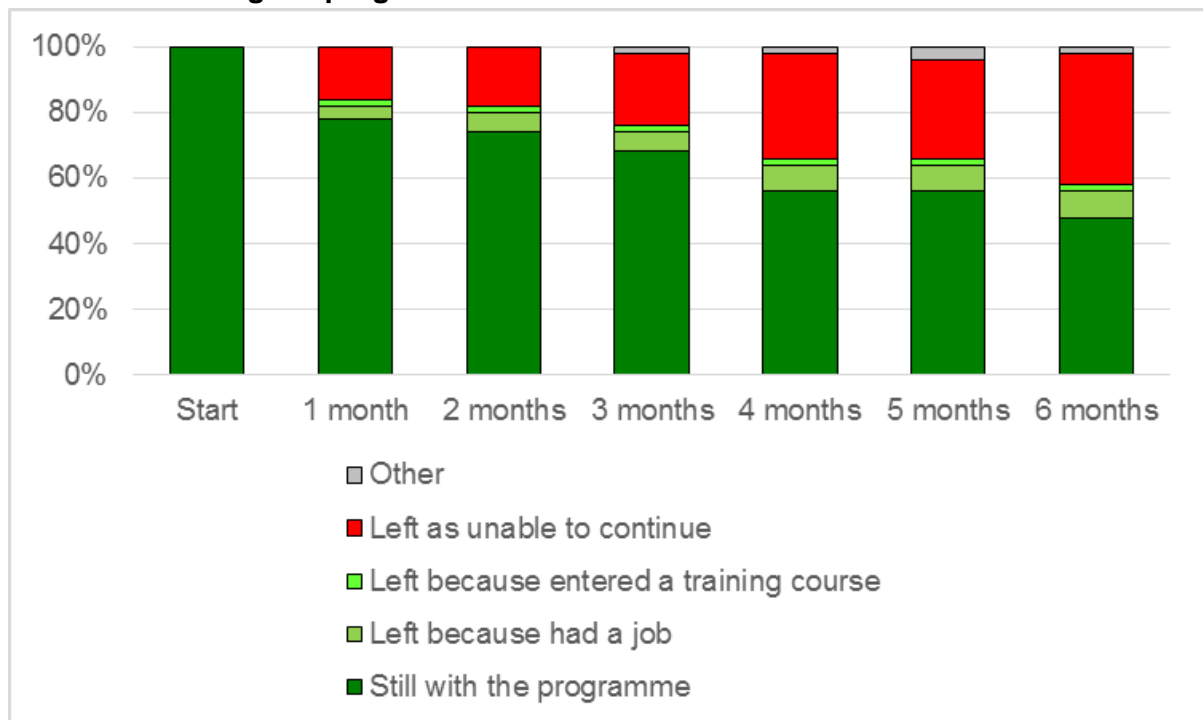
<https://publications.parliament.uk/pa/cm201617/cmselect/cmpubacc/775/775.pdf>; and Homeless Link (2013) *A High Cost to Pay: The Impact of Benefit Sanctions on Homeless People*.
<https://www.homeless.org.uk/sites/default/files/site-attachments/A%20High%20Cost%20to%20Pay%20Sept%202013.pdf>

³⁷ Blyth, B. (2006). *Incapacity benefit reforms: Pathways to work pilots performance and analysis*. DWP Working Paper No. 26. Norwich: Her Majesty’s Stationery Office.

³⁸ 2% left for other reasons.

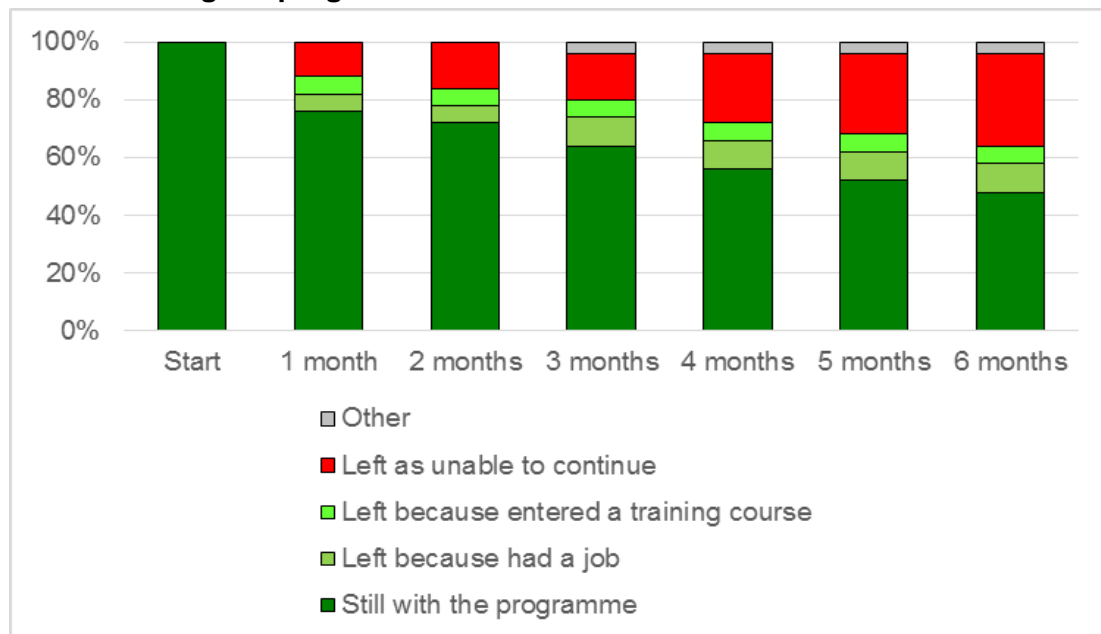
Within the drop-outs, three groups can be identified based on their reasons for leaving, as is shown in Figures 4.1 and 4.2. One group, comprising 45% of the London participants and 40% of the Manchester participants, who dropped out left because of ongoing difficulties in their lives that had been evident when they joined the programme. A second group, also comprising around 45% of London drop-outs and 57% of Manchester drop-outs, left due to a specific problem that arose during their participation that resulted in them leaving the programme and not returning. The final group, comprising 10% of London drop-outs and 3% of Manchester drop-outs left because they disliked the programme or found it inappropriate for their needs. The first two groups primarily left the system because they were unable to comply with the requirements of the system in a way that would enable them to avoid sanctions. While there was evidence of a lack of understanding of the system, this was most commonly seen amongst the second group of drop-outs, and to an extent amongst the third group. Issues related to alienation from a system that participants found inflexible were also common across the three groups.

Figure 4.1 Participation of respondents in the Youth Obligation between one and six months of starting the programme - London



Source: Wave 2 survey. n= 48

Figure 4.2 Participation of respondents in the Youth Obligation between one and six months of starting the programme - Manchester



Source: Wave 2 survey. n=47

It is notable that in both London and Manchester, drop-out rates increase consistently across the time young people spent on the Youth Obligation, rather than there being a higher attrition rate during the IAP, which required the most intensive engagement with the programme. This highlights that for many of the young people who left the programme, it was rarely the particular features of the programme that caused them to drop out, although these were often exacerbating factors, but simply external problems and events that made their participation in any kind of mandatory conditionality-based programme difficult.

PARTICIPANTS WITH PRE-EXISTING VULNERABILITIES

Firstly, there were participants who considered themselves unable to continue with the programme because of other things happening 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 these participants it had been obvious when they joined that they would struggle to meet the requirements of the programme at least in the short term but there was no alternative for them if they wanted to claim benefits. Little evidence of these issues being factored into their claimant commitment was found.

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

(Homeless YO participant with mental health issues who left the programme after 2 months, London)

*"I decided, I've not got my sh*t together enough to be getting a job, and that's what it's about, this Youth Obligation, so I'm seeing a counsellor, you know [organisation], and yeah, I'm just focussing on that, getting off, well it's heroin, like I said that's the main one, and then, I don't know if they will take me back or what, like back to the Youth Obligation thing."*

(YO participant with drug and alcohol problems and mental health issues who left the programme after 2 months, London)

Amongst this group were some participants who were experiencing relatively severe mental and physical health problems that they (or the organisations working with them) considered to be significant barriers to them being able to work but who 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, like it's 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."

(YO participant with mental health issues who left and re-joined the programme, London)

A second sub-group had ongoing issues, primarily related to physical or mental health issues which tended to fluctuate, leading to periods when they were able to participate fully in the Youth Obligation combined with periods when they were unable to. While the precise timing of these periods when they needed to withdraw were often unpredictable, that there would be a point when such issues would occur was always a possibility.

"My anxiety was just, like it got really bad, and I, like 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 yeah, I just couldn't do it. It was like there was a wall in front of my door."

(YO participant with mental health issues who left the programme after 3 months, London)

The key issue for this first group of participants who withdrew from the Youth Obligation centred around the appropriateness of such a programme at the current time. These participants were not in a position to participate at the required level and would similarly have struggled if they had been in work. It may be more appropriate for this group (leaving aside those who appeared to be claiming the wrong type of benefit) to have been given a delayed start to the programme, but with a commitment to start the programme fully at a later date. Being placed on the programme too early lead to a waste of resources as this group were unable to fully benefit from it and was, in some cases, distressing for the participant.

GOOD PRACTICE SUGGESTION: To support disadvantaged young people experiencing personal circumstances that were likely to limit their ability to engage in the Youth Obligation, **prior to their starting the programme more time should be devoted to identifying issues faced by claimants, with the aim of identifying those who were experiencing critical issues, and potentially delaying their move onto the Youth Obligation so that they could seek specific help from external support services.** This would limit the waste of resources that currently occurs when young people who are not in a position to benefit from the programme are mandated to participate. Some JCPs stated that they tried to do this, at least informally, but there was no consistency of

PARTICIPANTS EXPERIENCING NEW ISSUES

Secondly, there were participants who had experienced a temporary problem that had caused them to miss Youth Obligation appointments. Fear, embarrassment and/or uncertainty about their continued status on the programme had then resulted in them not going back. This group was primarily composed of participants with mental health issues, in some cases combined with a learning disability.

“My mum, she’s not well and sometimes she can’t look after the kids, so then I have to do it, cos I can’t leave them, they’re three and four, so I have to stay at home for them. And I tried to say, you know, ‘I can’t leave them’ but I don’t know, I don’t know if she didn’t believe me or like she wasn’t interested, but she was like ‘well you have to come to your appointment’, like or else, but there wasn’t anything I could do. [...] So, yeah, I don’t go no more cos like that’s how they are.”

(YO participant with a learning disability and low qualifications who left the programme after 3 months, London)

*“To be totally straight with you, I’ve had problems, drugs like, and I’m, I’m not proud of it, you know. So what happened was I had some mates and, yeah, I shouldn’t have got into it, I know that, but like I did and so, yeah, they got me over and well yeah, you know. After, I felt like totally down on myself and I didn’t want to see anyone, didn’t want to face them and I was supposed to have gone to [the job centre] 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’? It’s, they are not going to accept that are they? And like, 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. So, like, yeah, I’m done, I ain’t got nothing now.”*

(YO participant with drug and alcohol problems, mental health issues and low qualifications who left the programme after 3 months, London)

“I did think it was good, like some of the stuff we did, I actually thought it was really good. I’d have liked, I mean, I’d go back now if they took me back, if they asked me no questions. But I, I can’t, I mean, I can’t talk, talk to them in the job centre about, like, all that, it’s, they aren’t counsellors or anything, it isn’t their job and I don’t know them, I’m not, you know, giving all that out to a stranger. If they said to me, you know, ‘Come back and I’m not going to ask you any questions, ask you about why you’ve been gone’ then, then, I could, I think, I could try again.”

(YO participant with mental health issues who left the programme after five months, London)

“My bae didn’t want me to go, cos he don’t like me being on benefits, and so when we was together, he was like “you ain’t going down there, I’ll take care of ya” and I don’t do no arguing with him, so I never went. Then like, he’s got with someone else, and he ain’t taking care of no-one and I ain’t got no place to go, for the benefits, like. [...] I don’t think they let you back like that, cos it’s not like regular benefits, I think it’s over now and I missed it. I don’t know, do you think I can ask them?”

(YO participant with low qualifications and a learning disability who left the programme after 1 month, London)

“I didn’t go one time, and then I didn’t go again, so now I can’t go back.”

(YO participant with mental health issues, learning difficulties and low qualifications who left the programme after 2 months, London)

The primary concern with this group of participants who withdrew from the Youth Obligation is that a temporary issue can spiral into an extended period out of the system: that they never recover from one bad day, and that one bad day becomes a bad month, a bad year and a bad lifetime as they drift away from the support that they need and enter long-term unemployment. Although temporary withdrawal from the programme is possible, very few participants knew that this was the case.

GOOD PRACTICE SUGGESTION: To prevent young people experiencing unexpected issues disengaging from the Youth Obligation on a permanent basis, **young people should be provided with information about how to seek easements and the circumstances in which these are likely to be applied. They should also be provided with information about how they can return to the programme if they have left without prior consent.** This would prevent them spiralling into long-term disengagement from the system and experiencing the well-documented issues faced by the growing hidden NEET population.

Key issues for this group include ensuring that they know how to start their participation again, but also creating an environment where they feel that they can. A particular issue for this group is their lack of ability or willingness to advocate for themselves. Some lacked understanding of the system, which was exacerbated by various learning disabilities and mental health issues, while others were embarrassed or reluctant to speak about personal issues, primarily those around mental health. Several organisations were willing to assist with this kind of advocacy, but thought that this would not be welcomed or even allowed by the JCP.

PARTICIPANTS WHO FOUND ACTIVITIES INAPPROPRIATE

Finally, there was a small group of participants who held negative views about the Youth Obligation and the activities they were being asked to engage in as part of the programme. Amongst this group were two participants who had moderate to severe learning difficulties who found the activities they were asked to engage with impossible without support but who stated that they were offered no support, and two participants with Autistic Spectrum Disorders who would have benefited from 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, London)

This as a small, diverse group of participants, but their experiences highlight issues related to a lack of support for people with specific needs, as well as a lack of understanding of the system.

SANCTIONS

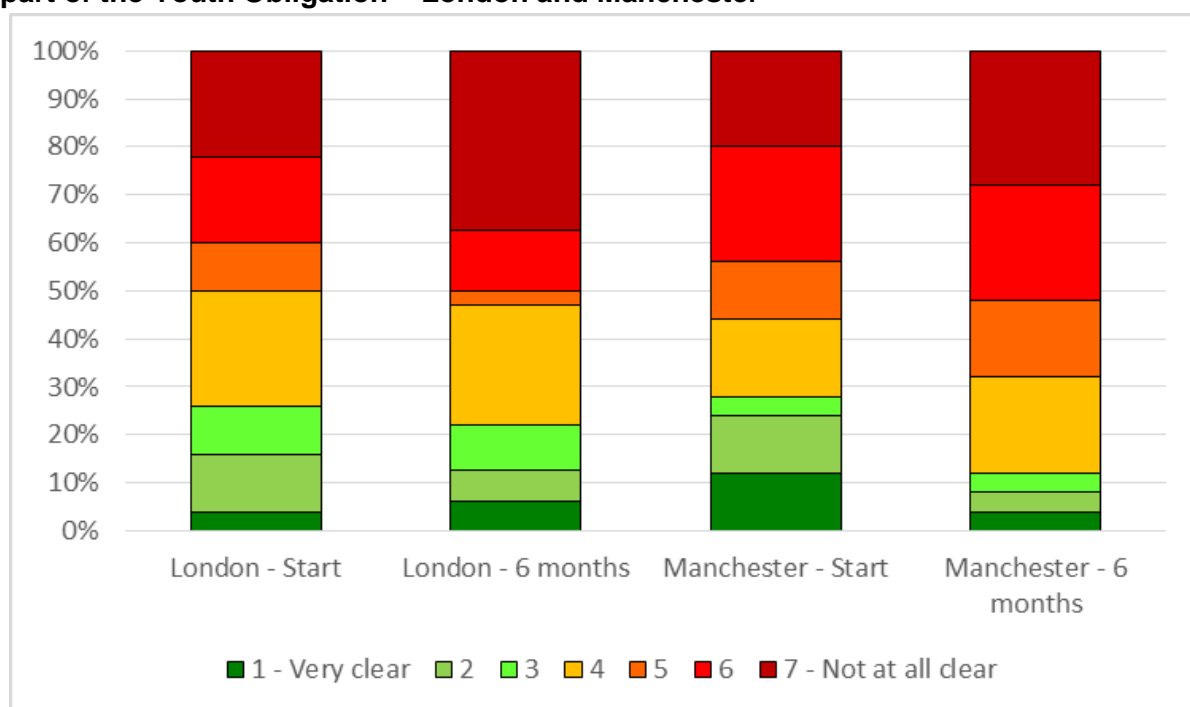
Overall, 38% of participants who were on the Youth Obligation were sanctioned at some point during the research, compared to 26% of the comparator group who were not taking part in the Youth Obligation. In total, 36% of London-based Youth Obligation participants and 40% of Manchester-based Youth Obligation participants were sanctioned at some point, 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 officially 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. There was also evidence that Youth Obligation participants were more likely to be sanctioned multiple times: 18% of Youth Obligation participants reported that they had been sanctioned more than once, compared with 9% of non-Youth Obligation participants.

As in the case of the participants who dropped out of the Youth Obligation, a lack of understanding of the system and an inability to comply with the demands of the programme were key drivers of disadvantaged participants being sanctioned. Primarily, sanctions were applied when a participant did not attend an interview or appointment usually because they considered themselves unable to do so. It was clear that many of the participants who were sanctioned for these reasons were unclear whether any mechanisms existed for exempting them from sanctions or for appealing against them. They did not expect that their reasons would be listened to or that they would have any impact on the outcome. There was also evidence that participants did not fully understand the sanctioning process, including why they might be sanctioned and for how long, despite this being part of their claimant commitment. While some participants withdrew from the programme without being sanctioned or were sanctioned after they had informally withdrawn, for other participants, being sanctioned was the trigger for their withdrawal and they left the system having decided that they were unable to comply with the terms imposed on them.

GOOD PRACTICE SUGGESTION: Greater care should be taken to ensure that Youth Obligation participants understand their Claimant Commitment, and that this places appropriate demands upon them, taking account of any specific difficulties they face, so that they understand the process of sanctions, why they happen and how they can appeal.

Amongst both cohorts, understanding of their obligations and the consequences for not fulfilling these obligations was surprisingly low. Around one in five of those on the Youth Obligation were unaware that this was a programme they were taking part in. As Figure 4.3 shows, participants had some idea that there were various stages of support that they would move through in the first six months, but were unclear exactly what this would involve or how long each stage would take, and few knew what would happen after the six month point. 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.

Figure 4.3 How clear an idea respondents had of what they would be expected to do as part of the Youth Obligation – London and Manchester



Source: Wave 1 and 2 surveys. n=100

This situation appears to have arisen in part due to the amount of information provided to young people in written form. They spoke of “thinking” they had been given “something” but were unaware of the content. In some cases, they had simply not paid attention to it, but others commented that they found reading difficult and were discouraged by the format of the information. Over half of the participants did not have at least five A* to C grade GCSEs and 26% did not have the equivalent of Level 1 qualifications, i.e. at least five GCSEs of any grade, Key Skills or NVQ Level 1. Around 60% had some difficulty reading and approximately 18% were functionally illiterate. The lack of information provided to voluntary sector and other organisations providing additional support to these young people meant that they were often unable to fill in gaps in participants’ knowledge and understanding. As will be seen, this has implications both for their ability to find work, but also for their ability to engage with the activities of the Youth Obligation and to understand the requirements placed upon them.

GOOD PRACTICE SUGGESTION: Information on the Youth Obligation and what will be required of participants should be provided in a range of formats, both to participants and to other organisations working with young people. It cannot necessarily be expected that young people will disclose that they have difficulties reading, so information in a range of formats should be offered as standard procedures.

SUMMARY

The evidence presented in this section showed that there was a very high level of drop-out from the Youth Obligation and outlined the reasons for this drop out and the implications it has for disadvantaged young people. Key issues were:

- The disproportionate impact of mandatory, sanctions-based regimes can have on disadvantaged young people has been consistently highlighted. Sanctions have been shown to promote disengagement with the benefits system and there are concerns that the lack of tracking and monitoring designed into the Youth Obligation under the Universal Credit build means that the destinations of young people who leave the Youth Obligation are not fully known or understood.
- Less than half of the participants in the research who started the Youth Obligation completed the mandatory six-month period. Just 10% of participants who left the programme terminated their engagement because they had found work or entered training, while 40% left because they felt unable to continue.
- Of those who dropped out, and ceased their benefits claim, just under half did so because of ongoing personal difficulties that had been evident when they joined the programme. At the outset of the programme, it was clear that this group were going to struggle to participate and they would have benefited from a delayed start to the programme to allow them to resolve some of their problems, but this was not offered to them. This group included many of the participants who had been or were currently homeless, as well as participants with substance misuse issues, caring responsibilities and certain types of learning disabilities.
- A similar proportion left because of an issue that arose during their time on the programme. In some cases this was something that they had experienced before, but which tended to fluctuate, for example, mental health issues, but also included young people who had unexpectedly had to take on caring responsibilities. This group tended to miss appointments, be sanctioned, and then fear, embarrassment or uncertainty about their status prevented them from returning. They would have benefited from the application of easements, but did not know that this was possible.
- A small group left the programme because they did not find the activities of the Youth Obligation appropriate for their needs.
- Overall, 38% of Youth Obligation participants were sanctioned at some point during the research, a figure that is 12% higher than the comparator non-Youth Obligation group. The sanction rate was slightly higher in Greater Manchester for both groups. Eighteen percent

of Youth Obligation participants had been sanctioned more than once, compared with 9% of non-Youth Obligation participants.

- Key drivers of this sanction rate were a lack of understanding of the system and an inability to comply with the demands of the programme. Being sanctioned was a motivator for withdrawal from the programme both because young people were embarrassed or angry about it happening, but also because it brought home to them that they could not do what was required of them due to other issues in their lives.
- There was a lack of understanding amongst participants of what the Youth Obligation was and what participation entailed. A significant proportion did not know that they were participating in a specific programme. Disadvantaged young people are particularly affected by this, largely because of their low literacy levels. There was also a lack of information provided to other organisations working with young people, who might otherwise have been able to support a young person struggling to understand the programme.

CASE STUDY: RAVI

Ravi joined the Youth Obligation after four months of looking for work. Describing himself as an 'entrepreneur', during his search for work, he had picked up some cash-in-hand work delivering leaflets, washing cars and running errands, but he wanted more steady money and support in finding work with computers, so he had started to claim benefits. He had left school with seven GCSEs and started a college course in IT but had dropped out of the course after struggling with some elements of the course due to his dyslexia and generally finding it did not provide him with the kind of experience he wanted.

"The benefits, I was reluctant, you know what I mean, because that ain't how I see myself. You're a low person if you're on benefits and I ain't a low person. But, you know, you've gotta do it if that's all that's going on for you, like I'm proud, but if you're gonna say to me 'you can be taking handouts from your mum and dad, or you can be taking handouts from the Jobcentre', I know what I'm gonna choose" (Wave 1)

He hoped that the Youth Obligation would help him to find work with computers, preferably doing some kind of graphic or website design, but by the end of Wave 2, this kind of work had failed to materialise.

"I don't think they've got nothing for me, like they aren't set up for someone like me, who has got ambitions. I know where I've gotta be, where I'm gonna get to, but I need them to help me out. Like I told them, the internet, computers, that's what I want. I've got my CV, I ain't afraid of no interview, just bring me to a job. But they didn't have no jobs like that and these other kinds of jobs they got, I can get them for myself, get better money from them too, I got the hustle on those jobs already.

They said I could go to the college but I've already been there, and they aren't doing it for me either. I told them, I can't be doing that, like it's not possible, waste my time. I want a job where I can be learning my trade right there, show me and I can promise you I'll take it on, you won't see nothing better, but they ain't got that" (Wave 2)

Ravi completed the full six months on the Youth Obligation and claimed benefits for a further two months before stopping his claim. At Wave 3, he had a number of informal, cash-in-hand jobs and had decided to start his own business designing and printing leaflets, although this had yet to take off.

"It just wasn't me, the whole benefits thing, I couldn't do it no more, it was bringing me low. So I started the hustle again, got in with my contacts, you know, called it in, and yeah, I'm making it okay.

I've got some delivery work back on, and they will take me behind the counter if they got no-one, so you know, I've got the money coming in, and I've got other stuff on, just whenever, bit of removals, that kind of thing, anything you want, Ravi's your man.

And I've started my business, me and my mate, it's called [name] and we're setting up for the leaflets, printing, designing, that kind of thing. We're just getting the word out at the minute, because you've got to build it up like, get yourself seen, and then we're gonna move to websites, you know, full service. I'm moving on, moving up, I ain't asking for no-one to help me anymore, because they let me down, they let me down big time, and I don't need that hassle" (Wave 3)

5. OUTCOMES OF THE YOUTH OBLIGATION

This section looks at the outcomes of participation in the Youth Obligation. It firstly considers employment-related outcomes, examining whether participants had entered employment nine months after they started claiming benefits and participating in the programme. For the participants who had gone into employment, it describes the type of employment and the role of participation in the Youth Obligation in helping these young people find work. Recognising that a young person's journey into employment is often fractured and non-linear³⁹, particularly in the case of young people experiencing disadvantages, it then moves on to consider the wider benefits of participation in the programme and the extent to which participation brings young people closer to the labour market even if they have not entered employment. It looks at the impact participation had on employability skills development, well-being and ideas about future employment.

As was noted in the previous section, drop out from the programme was high, and this drop out was not occurring because a participant had found work. Due to the lack of monitoring of the programme, little is known officially about what happens to the young people who have dropped out or those who stop claiming benefits after participating in the programme. Previous research suggests that young people who drop out of the benefits system without finding employment, becoming 'hidden NEETs', turn to other sources of income and are often involved in marginal, informal types of work, including casual, cash-in-hand arrangements, as well as in crime and prostitution⁴⁰.

EMPLOYMENT OUTCOMES OF YOUTH OBLIGATION PARTICIPANTS

Evidence from evaluations of outcomes from similar employment programmes is mixed, in part because employment outcomes are measured differently by different evaluations, with some focussing on sustained employment while others simply measure whether a participant has had any type of employment for any length of time. Data from the Work Programme suggests that young participants (aged 18 to 24) tend to have better outcomes than other groups⁴¹. Evidence from the Talent Match programme, which is a voluntary programme for unemployed young people funded by the Big Lottery with a particular emphasis on working with hidden NEETs, shows that 41% of participants entered employment during the course of the five year programme and 18% sustained employment for at least six months⁴². The cohort for this research shows somewhat higher levels of disadvantage, so it might be expected that

³⁹ London Youth (2018) Hidden in plain sight: Young Londoners unemployed yet unsupported. <http://londonyouth.org/wp-content/uploads/2018/05/Hidden-in-Plain-Sight-Web-Version.pdf>

⁴⁰ See Jones, K.E. et al (2018) *ibid*; O'Connor, W., Bruce, S. and Ritchie, J. (1999), *New deal for young people: pathfinder follow-through, findings from a qualitative study amongst individuals*. Employment Service; Social Security Advisory Committee (2010), *ibid*.

⁴¹ Data on the Work Programme shows that around 26% of JSA claimants aged 18 to 24 had worked for at least six months after a year on the programme, a figure that is approximately 2 percentage points higher than for all other JSA claimants.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/646239/work-programme-statistics-to-june-2017.pdf

⁴² Crisp, R., Damm, C., Green, A., Pearson, S., Sanderson, E. and Wells, P. (2018) *Talent Match Evaluation: Progression to Employment*. Sheffield Hallam University.

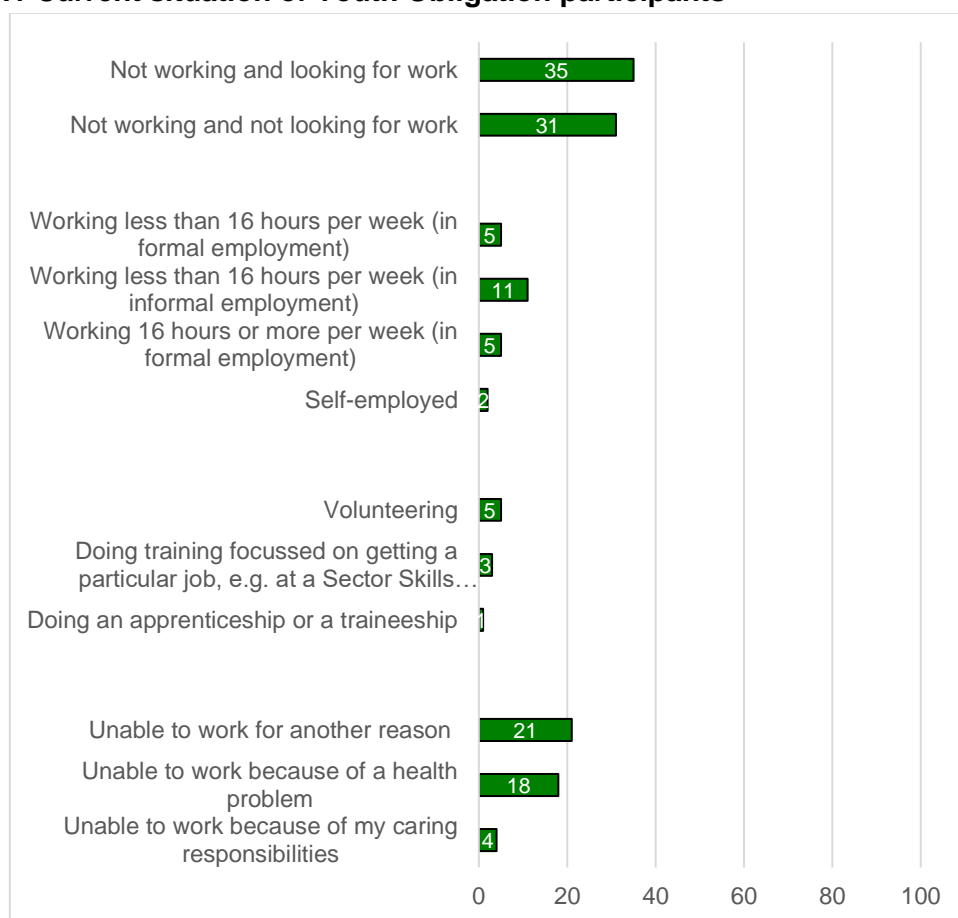
<https://blogs.shu.ac.uk/talentmatch/files/2018/10/talent-match-eval-progression-employment.pdf>

this figure would be slightly lower for participants in this research. When Youth Obligation participants were asked about their current situation nine months after they started the programme, 24% indicated that they were in some form of employment. The proportion of participants who indicated that they were in some form of employment was slightly higher amongst participants from the Greater Manchester cohort, with 27% indicating that they were in employment, compared with 22% of the Greater London cohort, but the employment rate for the Greater London cohort was higher amongst the Youth Obligation cohort than amongst the non-Youth Obligation cohort, while the opposite is true for the Greater Manchester cohorts.

However, as Figure 5.1 shows, when this employment is examined more closely, a less positive picture emerges. Almost half (44%) of the participants who described themselves as being ‘in employment’ were in fact engaged in sporadic informal employment, doing off-the-books, cash-in-hand work in the catering industry, providing personal services such as cleaning, ironing, babysitting and hairdressing, and delivering leaflets.

“My mum does ironing, so if I help her she pays me, like, so much for five shirts. It’s not loads of money, because, like, I live with her and she pays the bills and that, so it’s like spending money” [Youth Obligation participant with low qualifications and mental health issues, London]

Figure 5.1 Current situation of Youth Obligation participants



Source: Wave 3 survey. n = 92. Multiple responses possible.

The majority of these participants had disengaged from the benefits system and the money they earned through this kind of informal work represented their only income. As the above quote suggests, these participants were usually being supported by family members, which had implications for household finances, particularly when they were exacerbated by non-dependent deductions from family members' benefits as a result of accommodating a young person who was not claiming benefits themselves.

Overall, 12% of Youth Obligation participants in the survey were in some form of formal employment nine months after they started the programme. Of these, half were in full-time employment and half were in part-time employment of less than 16 hours per week. Just two of the participants had found permanent work (one part-time and one full-time), while one was on probation with a view to gaining a permanent contract and one person was on a training contract that it was anticipated would also lead to permanent employment. For the remainder, working in temporary jobs or on zero hours contracts, their engagement with the labour market was very tenuous and few expected that their employment would continue after their temporary contract ended.

"At the moment, I'm working as a picker, you know, putting together orders for delivery, but it's only temporary like, six weeks, because it's a busy time round this time of year. I don't know if I'll get kept on. Probably not, but you never know. I keep my head down, just going as fast as I can, and hopefully someone will look at my figures and be like 'yeah, we should keep him' but I don't know" [Youth Obligation participant with a learning disability and low qualifications, Manchester]

The sectors in which participants had found employment broadly correspond with those identified in Section 1 as providing the most common sources of employment for young people, although the numbers are so small that it is not possible to identify any clear patterns. The four people working in full-time employment worked in generally low-skilled, low paid sectors (construction, retail, warehousing and gardening) and this picture is similar for those in part-time formal employment who were working in retail, health and social care and catering.

The estimated average annual salary of all participants doing some form of work, whether formal or informal, was just over £6,000 pa. The highest earner was earning approximately £15,500 with an hourly rate slightly above the adult National Minimum Wage, while almost two thirds (63%) earned less than £10,000 pa, including 36% who were earning less than £5,000 pa. Across the entire Youth Obligation cohort, there was just one person who was in formal employment and who claimed no benefits and in this one case, the information they provided suggests that they would be entitled to employment support benefits, but they were not claiming them. Two participants stated that they were self-employed, although it is the case that many of the participants who were doing cash-in-hand work would meet the same definitions of self-employment that these two participants appeared to be using. At the time of the Wave 3 survey, one was not earning any money or claiming any benefits and their description of themselves as 'self-employed' reflected their work in establishing a youtube channel that they hoped would earn them money in the future, while the other self-employed participant earned very little money and was claiming unemployment benefits, but was again developing a business (in dressmaking) that they hoped would eventually lead to a higher and more secure income.

"I just sell on ebay and etsy right now and I've got a leaflet out on some of the stalls in the market that sell the material I use, so that's where my customers come from. I'm hoping over the next year that some of them stalls will take some of my clothes, like a small rack of dresses and skirts, and then I can try and get my own stall. I'd still do custom stuff like I do now, for weddings mostly because they're a big deal, parties, everyday wear, but like a stall could be my day job or just weekends and I'd do the designing, sewing, outside that. Maybe I'll get really successful and I'll employ someone myself to help with that. That would be the dream" [Youth Obligation participant with low qualifications, London]

Of the eight people who are in formal, declared employment, five stated that the Youth Obligation was to some extent important to them in finding their job. Three said that the support provided by the Youth Obligation was very important in helping them to find their job and two said that it was quite important.

"Yeah, I mean, that's how I heard about the job, well the trial, by the Jobcentre, and I like, we'd talked about, me and [my job coach], about you know, if there's a trial go for it because that's how they get to know you. And yeah, she was like bigging me up when she heard, like telling me I'd be great and to keep a good attitude and all that" [Youth Obligation participant who had experienced homelessness and mental health issues, London]

However, three stated that the Youth Obligation had not been important at all in helping them find their job. All three stated that this was because they had found the job themselves and did not comment on whether the support during the IAP might have helped them secure the job. Of the 24% of participants who were working, whether formally or informally, just three people said that the job that they were doing was what they wanted to be doing.

Of the disadvantaged young people participating in the research, 5% were engaged in part time voluntary work at the time of the Wave 3 survey (two in charity shops, one supporting young people with SEN, one doing mechanics as part of a voluntary-sector provided training course for people with SEN). All of these participants were young people with learning disabilities who were also engaged with voluntary sector organisations that provided additional support and activities for young people. This is likely to explain why only one participant said that participation in the Youth Obligation played an important role in helping them find their volunteering opportunity. All of the participants undertaking work-related training said that the Youth Obligation had been somewhat important in helping them to find and access their course, which perhaps reflects the strong focus of the Youth Obligation on directing unemployed young people towards these kinds of opportunities.

Two thirds (66%) of the Youth Obligation participants in this research described themselves as not working. Just over half of this group (53%) said that they were still looking for work, but the remainder were not. Four participants had been assessed for disability benefits due to ongoing mental health problems, overcoming the reluctance discussed in Section 2 to undertake this assessment, and one participant had left the country. The rest of the participants who said they were not working and not looking for work had, for a variety of reasons, simply stopped looking. Combining this latter group with the participants who were working outside formal systems, in total 46% of the disadvantaged young people who started

on the Youth Obligation had simply disappeared from the system. They claimed no benefits, were not in education or training and declared no formal employment. Health problems, including mental health issues were the most common reason for someone not looking for work, but the reasons provided by participants covered a range of scenarios, many of which were related to existing disadvantages: they were homeless, they were experiencing drug problems, and so on. Many had simply given up, there was no specific reason why they were not looking for work beyond the fact that they did not think they had any chance of finding any and they were unwilling to continue their engagement with the benefits system, citing the stigma of claiming benefits, the demands placed upon them, and the low level of benefits they had received when they were claiming as reasons for this disengagement.

It is sometimes suggested that one of the reasons young people struggle to find employment is that they hold unrealistic aspirations for the type of work that is available to them, that they aspire to be jobs that are either in very scarce supply, for example, dancers, or that they are unqualified for. While there is some evidence of this amongst the Youth Obligation participants, generally, most appeared to have realistic ideas about the work conditions they could expect, if not necessarily a clear idea of the general availability of particular types of work. As Table 3 shows, 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.

Table 3 The importance of different job characteristics to Youth Obligation participants

	Very important (%)	Quite important (%)	Not important (%)
Total amount of money you would earn	42	36	22
Earning the same every week	26	57	17
Total number of hours you would work	17	64	19
Working 9 to 5 (or similar)	14	31	55
Working the same pattern of hours every week	14	27	59
A permanent contract	22	46	32
The geographical location of the job	26	57	17
A job that uses all your skills	16	74	10
A job that provides training	12	18	70
A job that has opportunities for getting promoted	10	15	75
Working with people who are like you	16	26	58
Working with people who are different to you	6	12	82

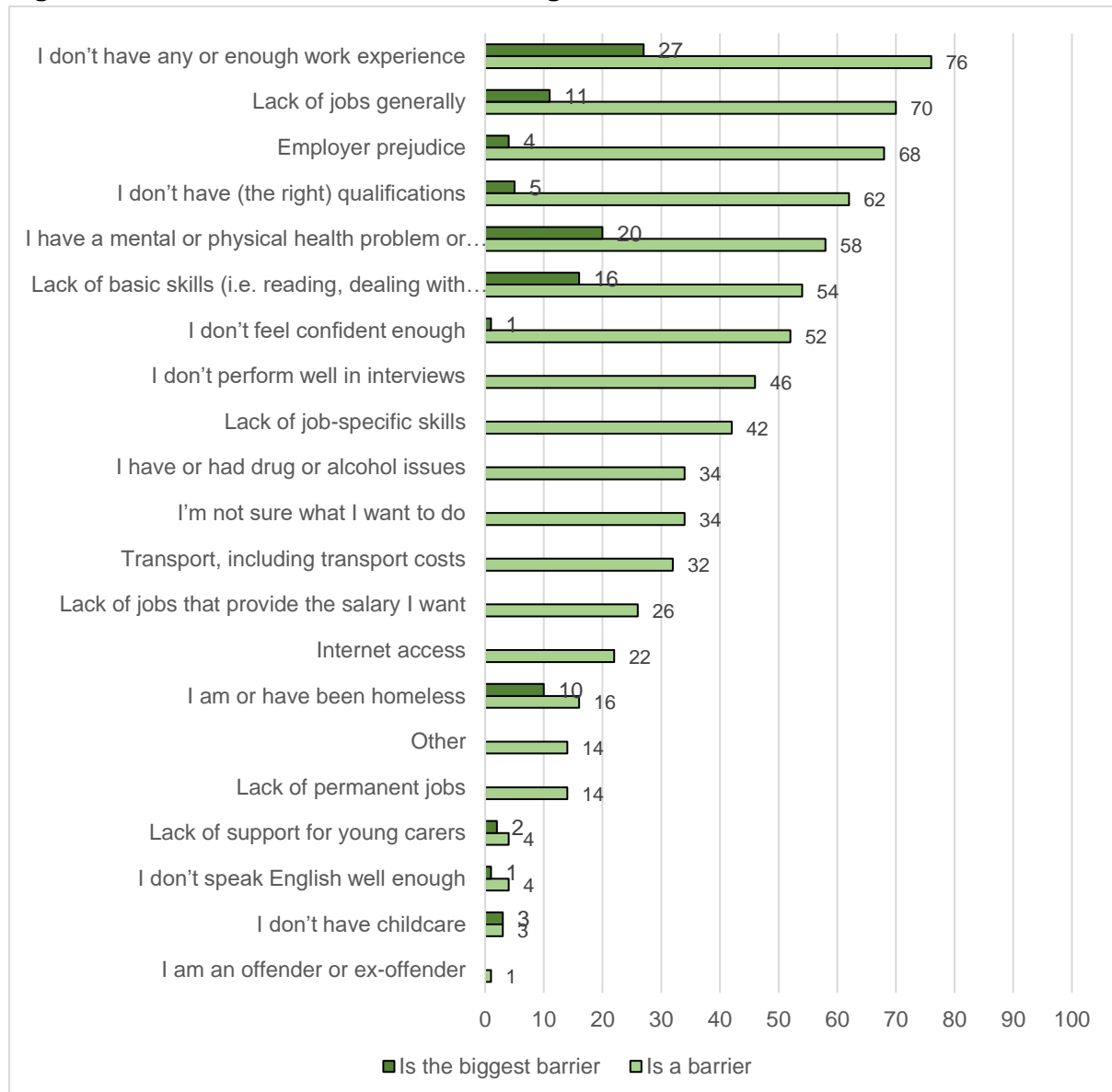
Looking at participants' responses over time, suggests that they become increasingly flexible, with the proportions selecting 'quite important' or 'not important' for each characteristic increasing across the three waves, while the proportion saying particular characteristics, excluding 'working 9 to 5', 'working the same pattern of hours every week' and 'the geographical location of the job', were very important fell.

Youth Obligation participants appeared to gain clarity in relation to their career aspirations as they went through the programme. When asked at Wave 1 (at the start of the programme) what kind of employment they were looking for, nearly a third of participants stated that they were looking for “anything”. By Wave 3, this figure had fallen to under 25%. Retail work was the most sought by participants and was mentioned by almost 70% 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 being the types of work participants were seeking, as was voluntary and youth work. The evidence provided in Section 1 suggests that this kind of work is available in Greater London and Greater Manchester, but the disadvantaged Youth Obligation participants were struggling to access it.

As Figure 5.2 shows, the most commonly perceived barriers experienced by disadvantaged young people when seeking work can be categorised into three groups. Firstly, there are barriers related to the operation of the labour market and the availability of jobs. Secondly, there are barriers related to human capital development, such as a lack of basic skills, qualifications and experience. Thirdly, there are barriers related to the specific circumstances of the individual, including mental or physical health problems, homelessness and drug and alcohol issues. This suggests that the work-first approach offered by the Youth Obligation and its emphasis on the practical processes of finding and applying for jobs is unlikely to address many of the issues that have resulted in the continuing high levels of unemployment and informal working that characterise the cohort who took part in this research. While human capital development is a component on the Youth Obligation, including its role in directing young people towards Sector Skills and other training, it does not address the extremely low levels of human capital possessed by many disadvantaged young people, which excludes them from even these opportunities, nor the concerns of young people who have had fractured school careers as a result of a range of issues, including learning disabilities and mental health issues, and who are reluctant to return to an educational or training environment as a result.

GOOD PRACTICE SUGGESTION: There should be greater understanding of the distance some disadvantaged young people are from the labour market and more recognition of the stages a young person may need to pass through to finally reach a point where they have the skills necessary to make a successful transition into the labour market. **There should be greater provision of training and more referrals from the Youth Obligation to training courses, but care also needs to be taken to ensure that this training is at an appropriate level for the young people involved.** There is little value in referring young people to training courses that they cannot complete.

Figure 5.2 Self-identified barriers to finding work

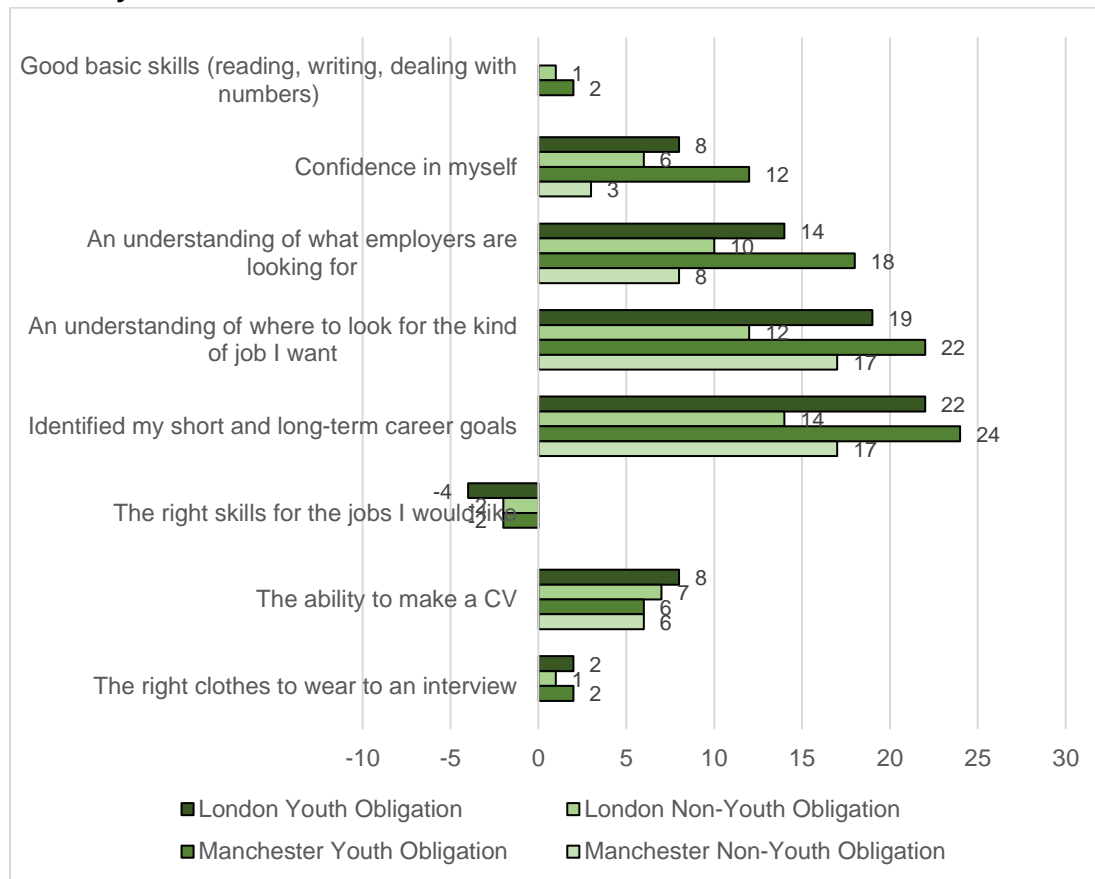


Source: Wave 3 survey, n = 92. Multiple responses possible.

WIDER BENEFITS OF PARTICIPATION IN THE YOUTH OBLIGATION

While the job outcomes of disadvantaged young people participating in the Youth Obligation appear to be relatively poor, the programme might be considered a success if it brings young people who are very far from the labour market nearer to finding employment. As Figure 5.3 shows, it does appear that Youth Obligation participants experience gains in their skills, confidence, understanding of the labour market and knowledge about how to find and apply for jobs, and these gains are greater than for unemployed young people in non-Youth Obligation areas.

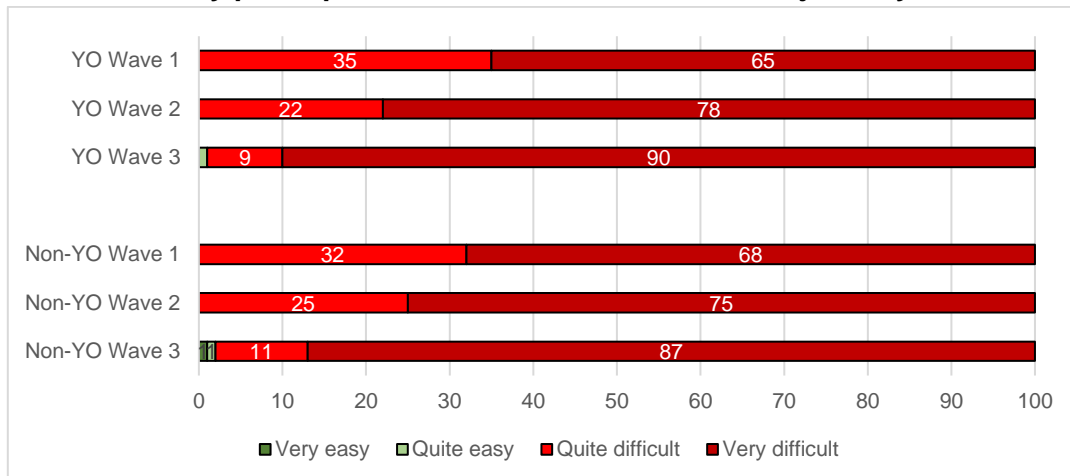
Figure 5.3 Change in the percentage of respondents strongly agreeing or agreeing with that they had various skills and attributes



Source: Wave 1 and Wave 3 survey, n = 169

The only area where there appears to be a decline, is in the proportion of both Youth Obligation and non-Youth Obligation participants who believe that they have the right skills for the jobs that they want. This highlights the scarring effect continued unemployment has had on these young people. The previous section showed how many disadvantaged young people had simply stopped looking for work, or had sought various types of sporadic, informal work, as their search for formal work had repeatedly failed. This pattern is also demonstrated in Figures 5.4 and 5.5. Figure 5.4 shows how the proportion of participants who thought that finding the kind of job that they want has increased quite dramatically between Wave 1, when many participants had not started looking for work and only a small number had experienced an extended period of non-employment, and Wave 3, when just 12% of participants had been successful in finding formal employment and a very small number indicated that this employment was what they wanted to be doing. The figures for Youth Obligation and non-Youth Obligation participants are very similar, with an increase of 25% between Waves 1 and 3 in the proportion of Youth Obligation participants saying that finding the type of work they wanted was 'very difficult' and a corresponding figure of 29% for no-Youth Obligation participants. This suggests that while the Youth Obligation does not seem to have a positive impact on young people's confidence in finding work, it does not have a negative one, compared to participation in general unemployment services, and it is largely external forces driving this decline.

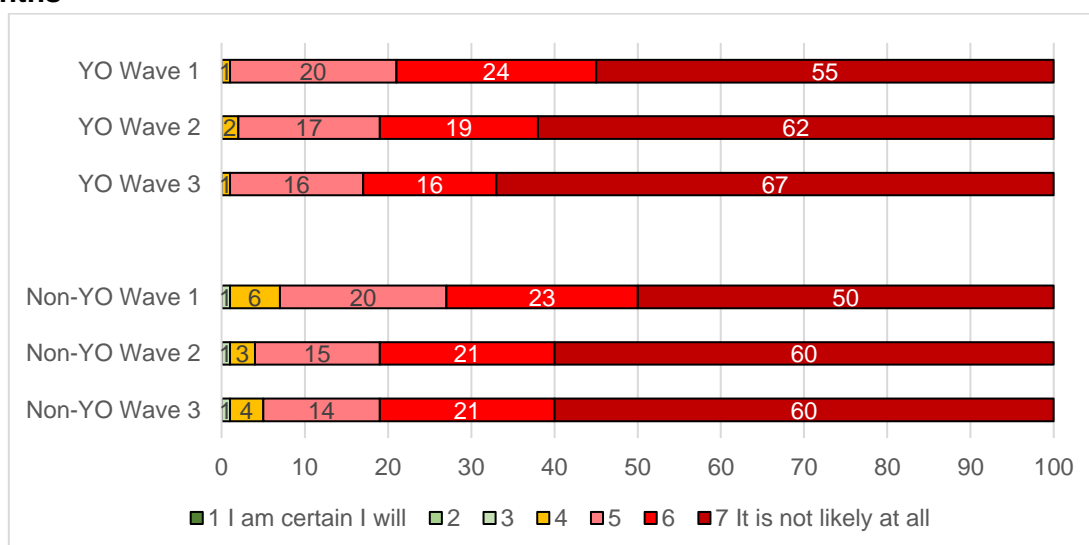
Figure 5.4 How easy participants think it is to find the kind of job they want



Source: Wave 1, 2 and 3 surveys. n = 180

Similarly, Figure 5.5 shows that participants' confidence in finding suitable employment within the next six months fell as their length of unemployment increased, although the figures stabilise somewhat after the six month point for non-Youth Obligation participants. 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 across the waves than as was the case for those who were not participating, which mirrors the similarly consistent patterns of drop-out from the Youth Obligation and drop-out from the benefits system more generally. The figures are likely to have stabilised more quickly for non-Youth Obligation participants because they had received no additional interventions, while the Youth Obligation participants had completed a programme of interventions by the end of Wave 2, with little success. By the end of Wave 3, more than two thirds of Youth Obligation participants believed that it was "not likely at all" that they would find suitable employment within the next six months.

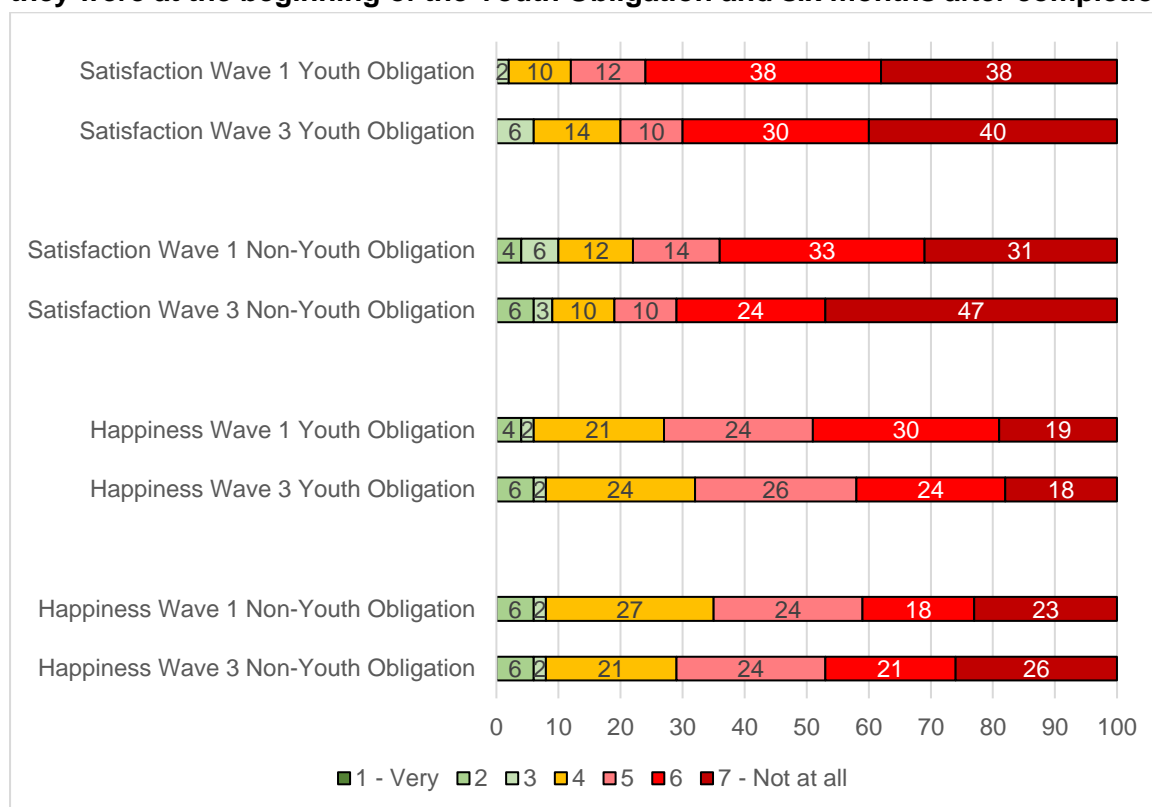
Figure 5.5 Participants' confidence in finding suitable employment within the next since months



Source: Wave 1, 2, and 3 surveys. n = 180

Despite this increasing pessimism about their employment prospects, as Figure 5.6 shows, Youth Obligation participants did appear to make gains in their general happiness and satisfaction with their lives in the course of their participation in the programme, albeit that the overwhelming majority remained unhappy and dissatisfied generally. Similar gains are not seen amongst the non-Youth Obligation cohort, with the proportion describing themselves as not happy or not satisfied increasing between Waves 1 and 3.

Figure 5.6 Participants' views on how satisfied they were with their lives and how happy they were at the beginning of the Youth Obligation and six months after completion



Source: Wave 1 and Wave 3 surveys. n = 180

The reasons for this are unclear, but previous research⁴³ appears to suggest that participation in targeted programmes does appear to increase measures of well-being amongst unemployed young people. Given the relatively high proportion of Youth Obligation participants who stated that they found their work coach easy to talk to, this may be a result simply of the opportunity it provides for often very marginalised young people to talk to someone who listens to their problems and is specifically charged with trying to help them, even if this help does not result in them finding employment. Even when young people expressed doubts about how beneficial the help they were being provided with was, the knowledge that someone was doing something for them may have been enough to increase feelings of well-being.

⁴³ See, for example, Crisp et al (2018). *ibid.*

SUMMARY

- Overall, 24% of participants indicated that they were in employment at Wave 3. However, closer examination of this shows that 44% of those who stated that they were in employment were in fact in doing informal, cash-in-hand work which is not officially recorded. The majority of these participants were also not claiming benefits, so the sporadic pay they received from these activities represented their only income. This placed a burden on their families who were often not in a financial position to absorb the costs of supporting a non-earning adult.
- Just 12% of participants were in some form of formal employment nine months after they started the Youth Obligation, with around half of this group being in full-time formal employment. The sectors in which both the formally and informally employed were working were largely low-pay, low skill sectors, characterised by temporary working and zero-hours contracts, which is reflected in the employment status of participants, just two of whom had permanent jobs.
- The extent to which the Youth Obligation had helped those in employment find their jobs was unclear. Some participants stated that it had been very useful, but others, focussing on the source of the job, rather than any type of skills gain from the Youth Obligation, said that the Youth Obligation had not played a role in their finding work.
- At the time of the Wave 3 survey, two thirds of participants described themselves as 'not in employment' and only just over half of this group were continuing to seek work. The remainder had stopped looking and in nearly all cases had stopped claiming benefits. This means that in total, 46% of young people who started on the Youth Obligation had disappeared from the system over the course of nine months. They were not working or in education or training and they were not claiming benefits. Their status was officially 'unknown'.
- There was some evidence of benefits from the Youth Obligation that were not captured by measures that focus simply on whether someone is employed. Participants appeared to become increasingly flexible about the characteristics of the jobs they sought, while at the same time becoming increasingly clear about the specific jobs they wanted and their longer-term career aspirations. Youth Obligation participants also experienced gains in their skills, self-confidence, understanding of the labour market and knowledge about how to find and apply for jobs, with these gains being greater than for unemployed young people in non-Youth Obligation areas. Similarly, they showed improvements in both their general happiness and satisfaction with life, albeit this was still very low, which was not the case amongst non-Youth Obligation participants.
- The barriers young people were experiencing can be divided into three categories: barriers related to the operation of the labour market and the availability of jobs; barriers related to human capital development, including a lack of basic skills and qualifications; and barriers related to the specific circumstances of the individual. Very few of the barriers young people were experiencing are likely to be overcome through work-first approaches that focus on the mechanisms of identifying and applying for jobs. This is particularly problematic for disadvantaged young people, not only because they experience these barriers more frequently and intensely, but also because the support they were offered or felt able to

participate in is precisely the kind of support that is likely to have a limited impact on their ability to overcome these barriers and they are excluded from support that might allow them to develop their human capital by their existing low levels of human capital development.

- If these barriers are not overcome, disadvantaged young people will continue to experience the scarring effects of longer-term unemployment evident amongst the Youth Obligation cohort. The longer a young person was unemployed, the more pessimistic they became about their chances of finding suitable employment, and many simply gave up.

CASE STUDY: CHLOE

Chloe had joined the Youth Obligation almost immediately after formally leaving school. Her school career had been difficult, she was dyslexic and had experienced bullying, leading to her withdrawing from school on one occasion and experiencing anxiety and depression.

"I didn't get on well with school. I'm dyslexic and I always felt like the stupid one, like I couldn't do anything right. I think some of the other girls picked up on my lack of confidence and I became a target for them. It got so bad that I just stopped going to school, or I'd go for registration and then leave. If I'm honest, I just didn't see the point of going, I couldn't do anything and it was just a horrendous environment. I was so unhappy. I didn't take any of my exams, I don't even know if I could have taken them if I had wanted to.

After I left school, I just went to sign on. I didn't know anything about the Youth Obligation, I just went because that's what you do" (Wave 1)

Chloe was part of the Youth Obligation for five months, before she found a job as a trainee florist.

"I don't think in my heart that I expected to find a job. I was just so used to not being able to do things, I couldn't imagine that anyone would want to employ me.

I'd never considered floristry, I mean, it's not a job you think of. It was [my work coach] who suggested I should really try for it, because I've always been good at art. Obviously there's much more to it than that, but it was like she chose this job just for me and I had to try.

When I went to meet them, they were explaining all the things I would learn in my training, and at that point, I thought to myself, they will never take me and if they do what will I do? There's no way I can do this job. All the names of the flowers, I can never learn them, but [my job coach] had told me to be up front with them, to tell them about my dyslexia and they were lovely, said it wasn't a problem and we could find ways to work around it. I got the call the same day to tell me I had the job. I was over the moon!" (Wave 3)

She credits the Youth Obligation not only with playing a material role in helping her to find her job, but also in increasing her confidence which was important when she interviewed for the job and continued to be important as she coped with the demands of an unfamiliar role.

"For me, [the Youth Obligation] made a big difference. Doing the interview practice was really good, but mostly it was just that [my work coach] was so kind and so encouraging of me. Outside like my mum and dad, because they've got to, I'd never really experienced that, having someone say that they believed in me, telling me what I could do instead of always going on about what I couldn't. I'm so grateful to [my work coach] in particular, I could never have thought of being where I am now without her.

The next steps are to complete my training, I've still got a way to go with that and then I need to decide, there's qualifications you can go for, so I need to decide if I can go for them and my manager has said she will help me if I do, so it's a possibility. After that, well I'll be a trained florist, world's my oyster! No, if they'll keep me I'll stay where I am. There's always so much more to learn, especially when I move up to learn about buying, sourcing, those kinds of things, which I definitely want to do. But maybe one day I'll get my own store, in the far, far future, who knows!" (Wave 3)

6. CONCLUSIONS AND POLICY RECOMMENDATIONS

Overall, the picture that emerges from this study of disadvantaged young people participating in the Youth Obligation is of a group who are not being offered sufficient flexibility by the programme to meet their specific needs and who are consequently dropping out of the programme, out of the benefits system and out of effective engagement in society.

If increased personalisation does not occur, and if this personalisation does not move beyond simply listening to participants to actually acting upon their concerns to put in place flexibilities that allow them to remain with the programme, there is a danger that a programme that is designed to bring young people closer to finding employment actually drives them further away. In doing so, it not only removes the support young people need to find work, but it also cuts them off from other support services that desperately need. Many of the young people in this study were extremely marginalised and had limited support networks, the Youth Obligation should be seen as a way of engaging these young people and providing them with the support and guidance they are lacking elsewhere, but too often it was regarded by young people as punitive, humiliating and unpleasant, a system that they did not understand that appeared to be judging them and finding them lacking, or as one participant put it, “it’s just another thing I’ve failed at but I’m used to that now”.

This was not the experience of all participants. A small number had achieved positive job outcomes as a result of their participation and there was clear evidence of the role the programme can play in developing the skills and attitudes that will help young people find work. However, provision was patchy, with differences in approach and services offered by different JCPs and as the programme proceeds, there needs to be more sharing of good practice and the development of a system that provides suitable support for all participants, including those who are most difficult to help.

KEY POLICY AND PRACTICE RECOMMENDATIONS

- **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 knows which jobs are available and has the confidence to apply.
- **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.
- **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. They can offer a source of support and expertise, ensuring that the young person knows their rights and entitlements while also aiding the Work Coach in understanding how best to work with the claimant.

- **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.
- **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.
- **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.
- **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. The route to a traineeship may involve several stages, including specific support for developing basic skills that will allow the young person to complete the traineeship successfully. This should also be recognised as a positive outcome.
- **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 publicly 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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