



## Introduction

Although youth unemployment has fallen over recent years, this has not been true of some groups with complex needs such as homeless young people. This situation raises serious questions as to whether there are suitable opportunities for the most vulnerable young people who are furthest from the job market.

These young people require additional upfront help and support to enable them to be ready for work as well as to access and sustain employment. Equally, employment opportunities are needed which offer flexibility and enable young people to learn the necessary skills and routines at their own pace.

## Disadvantaged young people face additional challenges to entering employment

Given the many complex challenges that homeless young people face, the young people that we support are disproportionately more likely to face unemployment and find it a challenge to enter employment, education and training. Like many young people on the edge of the labour market, homeless young people face significant challenges which make the transition from school to employment particularly challenging, including:

- **Chaotic personal lives - because of both the causes and consequences of homelessness**
- **Poor basic education - many leave school with fewer than five A\* to C GCSEs**
- **Mental health problems**
- **The financial pressures of living independently**
- **Pending or prior criminal convictions**
- **A lack of any work experience, or lack of relevant work experience when at secondary school**
- **Low income and a lack of material resources**
- **A lack of motivation because of family background**
- **Poor financial literacy and a belief that they would be worse off in employment than on benefits**

These negative factors are often complex and deeply embedded by the time young people make the transition to work. Given that these young people are furthest from the job market, questions remain as to whether the policies currently proposed will provide disadvantaged young people with the necessary support to find and sustain work. A holistic approach is essential to tackling the cumulative effect of these factors.





## The current policy context

Tackling youth unemployment is a major priority of this government and a number of key measures have been developed to achieve this.

### The Youth Obligation

It was confirmed in the 2015 Budget that the government intends to introduce a new Youth Obligation for 18 to 21 year olds on Universal Credit in order to provide stronger incentives to work. From April 2017, young people who claim Universal Credit will have to participate in an “intensive regime of support from day 1 of their benefit claim, and after 6 months they will be expected to apply for an apprenticeship or traineeship, gain work-based skills, or go on a mandatory work placement”<sup>i</sup> or they will lose their benefits. Whilst the fine details of the Youth Obligation are yet to be published, there is potential for this to be a positive opportunity for disadvantaged groups if additional, tailored support is made available. However, if robust safeguards are not built in, it could also pose a serious risk to the welfare of disadvantaged young people if they are unable to meet the requirements and lose their entitlement to benefits.

### Apprenticeships

The government has committed to significantly increase the quantity and quality of apprenticeships in England, and pledged to achieve 3 million new apprenticeship starts this Parliament. To fund this, the government will introduce a levy on large UK employers, but will in return put control of the resulting funding in the hands of employers who deliver apprenticeship opportunities. Whilst this potentially provides a stepping stone for disadvantaged young people to enter the workforce, Centrepoin’s experience suggests that relatively few are able to access existing apprenticeship programmes. Research conducted in 2012 revealed that only 2 per cent of young people at Centrepoin had been able to access an apprenticeship.<sup>ii</sup> Furthermore, government data show that the majority of the new apprenticeships created over the last Parliament went to those aged over 25,<sup>iii</sup> and there is little information available about the other demographics and characteristics of apprentices.

### The Work Programme

The Work Programme was introduced by the previous coalition government in 2011 specifically to combat long-term worklessness. The programme, which is a payment by results model, is designed so that higher rewards are paid for sustained job outcomes, promoting a long-term approach. Payments are also higher for helping participants who are further from the labour market.<sup>iv</sup> However research which aimed to explore whether the Work Programme is working for homeless people has uncovered several key issues including failures to identify people who are homeless and so providers do not get paid extra to offer more intensive support, a failure to identify the barriers to employment faced by homeless people, and a failure to deliver individualised specialist support.<sup>v</sup>



## Our research

To gain a better understanding of the current situation, Centrepont conducted two phases of research. In August 2015, 260 young people across Centrepont and our partner organisations completed a survey about their educational achievements and employment history as well as the things they think act as barriers or enablers to entering the employment market. Alongside this, Centrepont staff provided data on 815 Centrepont residents across 27 services. Staff provided data on the characteristics of Centrepont residents including whether they are currently claiming Jobseeker's Allowance and whether they have undertaken an apprenticeship.

## Key findings

Our research found that 48 per cent of the young people who responded to our survey are not currently in education, employment or training (NEET). Those aged 18 to 21 are particularly likely to be NEET. This section explores the barriers to employment faced by disadvantaged young people and how they can be supported to access work.

### **Many of the most vulnerable young people with the highest support needs have not achieved five A\* to C GCSEs**

Due to their complex needs, it is unsurprising that a large proportion of young people (38 per cent) have fewer than five A\* to C GCSEs. Only 4 per cent state that A Levels are their highest qualification and only 1 per cent have obtained a degree. As five A\* to C GCSEs - including Maths and English - is often the minimum requirement for entry into further education, apprenticeships or employment, many of these young people face exclusion from a competitive labour market.

It is also concerning that those young people with the lowest educational attainment are more likely to have support needs. Of those who cite poor mental/ physical health as a barrier to employment, 45 per cent have fewer than five A\* to C GCSEs. Of those with low confidence, 50 per cent do not have these qualifications, and of those citing other personal circumstances as a barrier it is 51 per cent. This suggests that they may not be receiving the additional support they need to achieve five A\* to C GCSEs.



## Young people who complete a BTEC or GNVQ/NVQ are more likely to become NEET than their peers who take A Levels

Many young people choose to undertake more work-related or competency-based routes. One in five of those who responded to our survey say that their highest qualification is a BTEC and 13 per cent say their highest qualification is a GNVQ/NVQ. This shows that many young people who do not do have A levels are still in some kind of further education or training and have a desire to learn.

However, our survey suggests that young people who undertake those alternative routes into employment are less likely to be in education, training or employment afterwards than their peers who take A Levels. Of those who have obtained a BTEC, 54 per cent are now NEET compared to 25 per cent of those who have A Levels. When asked what makes it hard to get a job, 45 per cent of our NEET young people say it is because they do not have the right qualifications, suggesting that alternative qualifications are still not as valued by employers as traditional academic ones.

## Many disadvantaged young people will be subject to the new Youth Obligation

Data provided by Centrepoint staff revealed that of 815 residents, 34 per cent are currently claiming Jobseeker's Allowance. One in eight residents (13 per cent) are aged 18 to 21 and have been claiming Jobseeker's Allowance for more than six months. From April 2017, this group of young people with complex needs will fall under the new Youth Obligation and will face losing their benefits if they have not applied for an apprenticeship or traineeship, gained work-based skills or gone on a mandatory work placement by six months.

Analysis of the data reveals that half of this Youth Obligation group have fewer than five A\* - C GCSEs and 18 per cent have had experience of care. For this group to enter and sustain employment, it is essential that their multiple needs are addressed. This may take longer than the prescribed six months and it is essential that young people who are making progress towards entering the labour market are not sanctioned and sent back to square one.

## Take up of apprenticeships is low amongst this group

Data on 815 Centrepoint young people shows that only 4 per cent have ever started an apprenticeship. Though only a small group, these young people are keen to succeed; 41 per cent have completed their apprenticeship, and 53 per cent are still undertaking them, suggesting that only 6 per cent have dropped out.

Whilst we do not have data on the highest educational qualification of all apprentices, of those who do report data, three quarters have achieved Level 2 qualifications (GCSE A-C, GNVQ Intermediate, BTech 2 - including Maths and English). Only 11 per cent had level 1 qualifications, which equates to GCSE grades D-G. This data suggests that those young people who miss out on achieving their 5 A\* to C GCSE grades, will struggle to access an apprenticeship.

However, this does not mean that these young people would not have been able to access and successfully complete these opportunities if they received the right support or were given the opportunity to prove their abilities. In our survey of young people, 22 per cent told us they would consider undertaking an apprenticeship as the next step in their career, demonstrating a desire among this group to succeed in such placements.



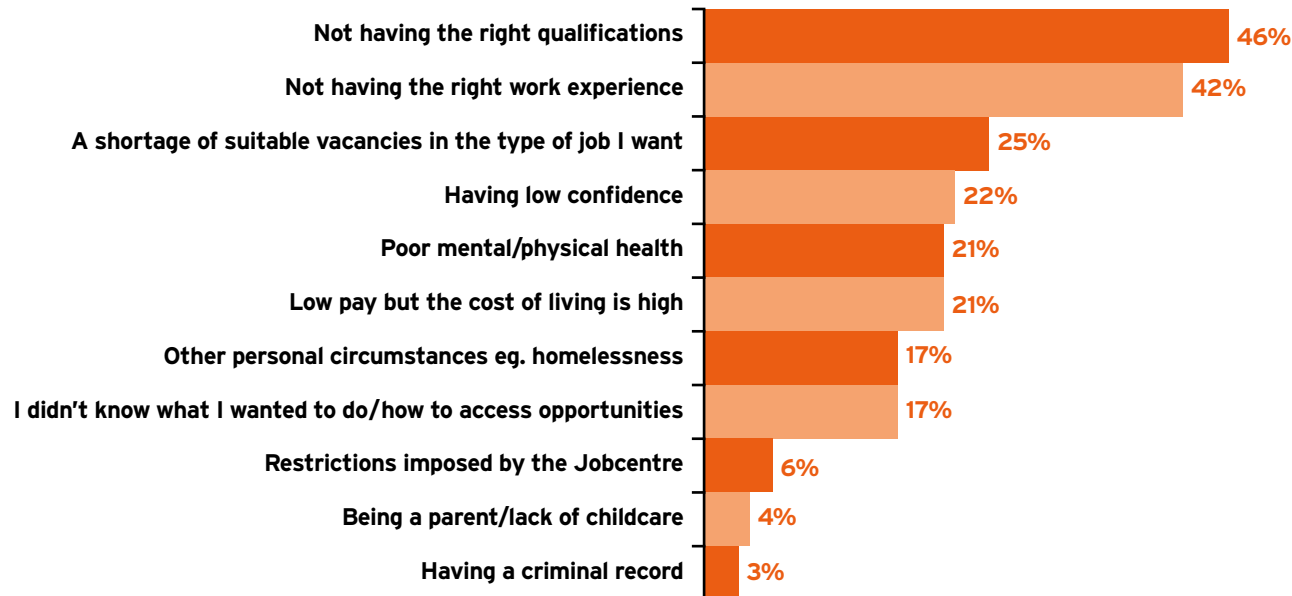


## Barriers to accessing employment

When asked what had made it hard for them to get a job, 46 per cent of young people said that not having the right qualifications had made it hard and 42 per cent said not having the right work experience.

Poor mental/ physical health and having low confidence were also cited as barriers, which highlights the importance of addressing those support needs if the young person is to access and sustain employment.

## Have any of the following things made it hard for you to get a job?<sup>vi</sup>



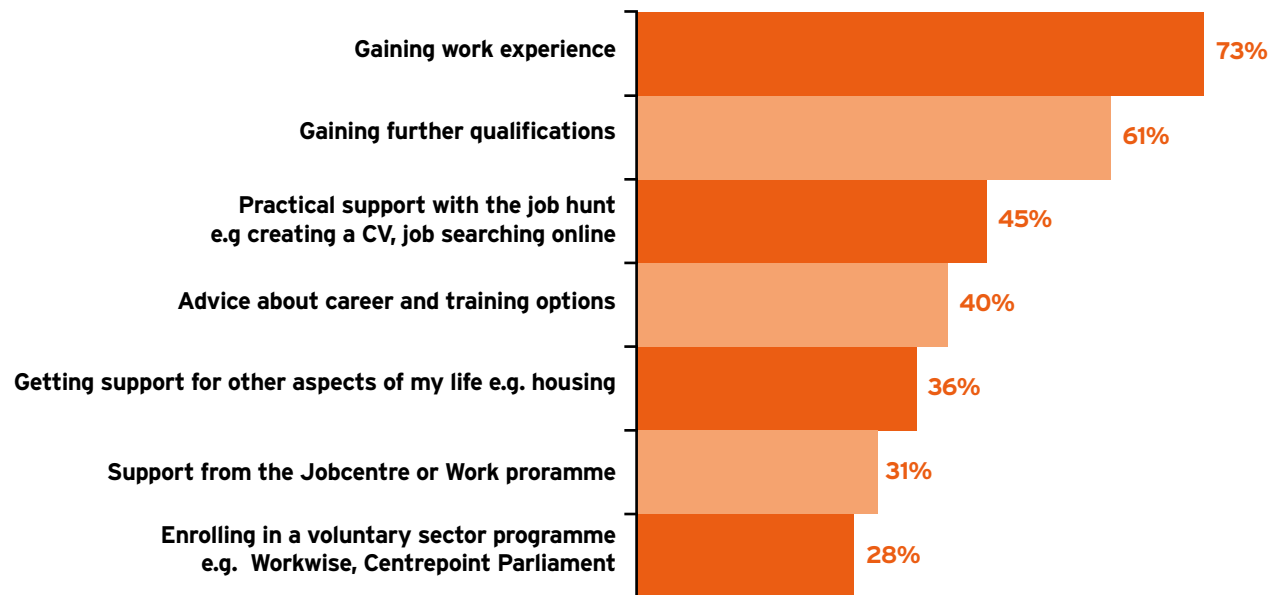
## Disadvantaged young people do succeed with the right support

Research undertaken by King's College London<sup>vii</sup>, shows that many young people who have experienced homelessness, go on to live independently and engage actively in employment. Five years after resettling into independent accommodation, 79 per cent of Centrepoint young people were in education, work training, voluntary work, or employment. Two thirds (67 per cent) were in full, part time, or casual employment and one third (33 per cent) were unemployed or economically inactive, for example because they were parents of young children.

Of the young people who responded to our survey, 15 per cent are either in full time or part time employment. Of those young people, 13 per cent had not achieved five A\* to C GCSEs and 23 per cent reported either having poor mental/ physical health or low confidence. Despite such barriers, young people are able to successfully access employment if they receive the support they need.



## What do you think is most helpful to young people to enable them to find work?



Gaining work experience and further qualifications rank most highly in what young people think would help them into work. For the 38 per cent of young people who have not achieved five A\* to C GCSEs, there is a need to ensure that channels remain open for them to re-engage with education in a way that takes their additional needs into account. Whilst the introduction of a work experience element within Traineeships for which providers can receive funding is a step in the right direction, there is more that could be done to hook those that are furthest away from the labour market.

When asked what would be the single most helpful factor in enabling them to find work, many young people highlighted the importance of a positive attitude; "motivation - a lot of it!" But they also highlight the need for support to get them there. One young person said the most helpful thing would be an "understanding of individual needs. Support for young people with regards to addressing any unidentified needs."

Young people would like support from someone who will help build their confidence, support them to address their behavioural needs and set small goals which help them to reach their aims. Getting support for other aspects of their lives would be helpful for 36 per cent of young people. As Jobcentre Plus is regularly in touch with some of the most disadvantaged young people, this provides an essential opportunity to ensure the right support is in place.



## Recommendations

### The Government should:

- Reintroduce the statutory requirement for schools to deliver Work Experience and Work-Related Learning at Key Stage 4
- Promote the Fairtrain Work Experience Standard for businesses and providers to ensure consistency and quality
- Open up Level 1 pathways to encourage more young people to engage in work-based learning that is appropriate to their needs. This should include the opportunity to undertake more than one Level 1 qualification before they are expected to progress
- Introduce a Transition Mentors Scheme to support employers and young people as they enter employment for the first time

### Local authorities should:

- Introduce a local peer information service, where disadvantaged young people who have progressed into sustainable employment and independent living become role models

### Local Enterprise Partnerships should:

- Develop versions of localised Education Business Partnerships to broker arrangements between businesses and youth support agencies

### Employers should:

- Develop specific 'Have A Go' campaigns to encourage short visits / tasters to enable young people to get a quick risk-free look at the kind of jobs that businesses offer
- Recognise the value of vocational, work based qualifications as well as A Levels

### Jobcentre Plus should:

- Accurately assess the needs of young claimants, so that any job requirements set out in the Claimant Commitment are suitable for their individual needs
- Signpost young people who are not in education, employment or training to appropriate services and sources of advice to address any additional needs
- Work with specialist providers to ensure that those with the highest needs receive the appropriate support, either by signposting or referring





## Providing holistic, intensive support: Centrepoint's approach

Centrepoint provides individualised support to enable young people to develop the skills they need to access employment. Many young people are some way off being ready to access a formal employability scheme, so the process of being ready to enter and sustain employment can take time.

When the young person arrives at Centrepoint, we conduct a thorough initial assessment to gauge not only what that young person's prior attainment is, but also find out about their goals and aspirations in order to create a 'culture of possibility' that can inspire them to reach their potential. A range of complementary activities wrap around the core learning programme, which typically involves Functional Skills delivered alongside Centrepoint's own branded Lifewise and Workwise courses, enabling the young person to engage with sports, arts, music or media to help prove that learning can be fun.

Programmes are delivered in small groups or on an individual basis until the young person is confident enough to be part of a bigger cohort, and staff are encouraged to use their own life experiences to make their instruction more credible and relevant to the circumstances of their learners.

To embed the learning, one-to-one guidance and mentoring is offered after progression which helps the young person to settle in to their chosen destination and improve their chances of sustaining the outcome.

- i HM Treasury (2015) Summer Budget 2015. London: Crown
- ii Centrepoint (2013) Opportunity Lost? The experiences of homeless young people in accessing education, training and employment
- iii House of Commons library (2015) Apprenticeship statistics: England. Briefing paper. Available online: <http://researchbriefings.parliament.uk/ResearchBriefing/Summary/SNO6113#fullreport>
- iv Department for Work and Pensions (2012) The Work Programme [http://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/49884/the-work-programme.pdf](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/49884/the-work-programme.pdf)
- v Crisis, Homeless Link & St Mungo's (2012) The programme's not working: experiences of homeless people on the Work Programme
- vi The categories 'Being a parent/ lack of childcare' and 'Having a criminal record' were not answer options in the original surveys, however as they were popular responses in the free text category, we have highlighted these answers. Had these been distinct categories in the original survey, these percentages may actually be higher.
- vii Social Care Workforce Research Unit, Kings College London (2015) Rebuilding Lives. Awaiting publication.





Centrepont is the UK's leading charity for homeless young people. It supports over 8,400 16-25 year olds into housing and employment every year. Working directly in London, Yorkshire and the North East of England, Centrepont also partners with other organisations across the UK and gives homeless young people a voice through the Centrepont Parliament. It conducts research and influences government policy with the overall aim of ending youth homelessness.

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