

Youth Unemployment: call for evidence

Submission to the House of Lords Youth Unemployment Committee

Chartered Institute of Personnel and Development (CIPD)

May 2021



*Championing better
work and working lives*

Background

The CIPD is the professional body for HR and people development. The not-for-profit organisation champions better work and working lives and has been setting the benchmark for excellence in people and organisation development for more than 100 years. It has 155,000 members across the world, provides thought leadership through independent research on the world of work, and offers professional training and accreditation for those working in HR and learning and development.

Public policy at the CIPD draws on our extensive research and thought leadership, practical advice and guidance, along with the experience and expertise of our diverse membership, to inform and shape debate, government policy and legislation for the benefit of employees and employers, to improve best practice in the workplace, to promote high standards of work and to represent the interests of our members at the highest level.

Our response to this call for evidence will focus on the role of the people profession in supporting young people into employment, including building the skills they need for future work, the importance of careers advice and guidance, and our policy proposals to reform the apprenticeship levy. We have grouped our responses to the Committee's questions and would be very happy to elaborate on any of the points further.

Our interest and work in this space

The CIPD represents the UK's HR and L&D community, and it is these individuals who will be key to the success of measures to support young people transition to the world of work. Whether it be through designing and implementing work experience initiatives, or developing apprenticeship programmes, or through supporting young people via the Kickstart Scheme.

CIPD members are already stepping up to support young people and help them to navigate the increasingly complex world of work and find jobs and fulfilling careers. The CIPD has directly supported the Government's career strategy, recruiting HR professionals to support schools via the Enterprise Advisor programme. CIPD members are also supporting young people through the CIPD [Steps Ahead Mentoring programme](#), which was relaunched last year. The Steps Ahead Mentoring programme aims to help young people find work by matching them with a CIPD member, who will act as a mentor. Mentors provide practical advice on CVs, applications, interviews and job searching, as well as helping young people improve their confidence, build professional networks, and identify and establish career goals.

Our response

Q2: What are the main challenges facing employers in the labour market today? What barriers do they face in recruiting young workers and setting up apprenticeships and traineeships?

Q3. What future social, economic and technological changes are likely to impact youth unemployment? What impact might these changes have, and how should this be planned for and addressed?

Q5. Does the national curriculum equip young people with the right knowledge and skills to find secure jobs and careers? What changes may be needed to ensure this is the case in future?

Increased developments in technology and automation mean the world of work is changing and with it has been a shift in emphasis towards building the skills needed for employment, particularly 'soft skills'.

These essential skills are highly transferable soft skills such as listening, problem solving and teamwork that are at the heart of almost every job and support people as they move from school to work, from entry-level to management roles and from a career in one industry to a career in another. They enable people to adapt to change and are the foundations for developing new technical and job-specific skills, such as digital skills. In the past, a lack of common language and understanding about how to define these essential skills has acted as a barrier to development. This is why the CIPD and other leading businesses and employer groups launched a new [Skills Builder Universal Framework](#) in May 2020 to help businesses identify and quantify these transferable soft skills.

The framework has the support of over 750 organisations from across education, business and the third sector. It provides the structure, which schools and businesses need to teach, develop and assess essential skills and most of all, it offers consistency, as a young person moves through the education system into the world of work.

Research shows that current or expected skills gaps are top of the list of employer concerns for the future, and the COVID-19 pandemic and related economic uncertainty brings the importance of these skills into focus even more to help individuals and businesses be resilient in the face of change. As UK businesses and educators look to reshape and adapt over the coming months and years, they will need to ensure they are not only addressing the challenges at hand but preparing for the challenges that society will face in the future. Recognising and developing essential skills will be central to the UK's recovery.

Q6: Is careers education preparing young people with the knowledge to explore the range of opportunities available? What role does work experience play in this regard?

Feedback from our Enterprise Advisor's on the provision of careers advice and guidance suggest a number of areas in need of improvement:

- No centralised approach for careers education resources, young people don't have one direct place to visit to find out what all their options are.
- You can't be what you can't see: careers education often begins at home but if young people don't have mentorship from their families or communities and networks via family and friends working in employment they will be missing out on vital networks- ensure that there are employers and careers leaders connected to and placed in all school. These networks are even more vital for SEND young people and the parents of SEND young people.
- Engage and educate the parents: some EAs have commented that some children from disadvantaged backgrounds, and some children within the BAME community, can be restricted by their parents around work experience and career opportunities as these are unknown to the parents or the parents feel uncomfortable letting their child leave their local area for work experience opportunities. EAs have commented that parents can have a huge sway on their child's decision making.
- Peers also have a huge sway to what careers education students pay attention too, so insight on how students can make enhance their internal decision making, as well as tools to help in identifying their own key strengths.

Q10: What can be done to ensure that enough apprenticeship and traineeship placements are available for young people? Is the apprenticeship levy the right way to achieve a continuing supply of opportunities?

A CIPD report showed that less than half of employers plan to take on a young person in 2021, despite Government initiatives to boost provision of traineeships, apprenticeships and six month work placements through the Kickstart scheme. The response to traineeship and apprenticeship incentives was particularly poor, with:

- Just 8% of organisations who were not planning to offer traineeships before are considering doing so now.
- Just 6% of organisations previously planning traineeships are looking to now scale up their programme.

- Just 5% of employers who were not planning to recruit apprentices responded that they were considering it now
- Just 7% of those who were already planning to recruit apprentices would now be encouraged to recruit additional apprentices.

The report suggests the low uptake for the traineeship incentive may be due to limited awareness of traineeships more broadly. Despite launching in 2013, a third (35%) of employer said that they had not heard of traineeships, while only 8% claim to have good knowledge of them. In response the CIPD has urged the Government to improve awareness of traineeships amongst businesses to boost engagement and uptake, as well increase apprenticeship incentives to be more generous and better targeted at young people and SMEs.

Apprenticeships are a very valuable form of training and are particularly suited to supporting young people make the transition from the classroom to the workplace and develop the wide set of skills required, including 'soft' employability skills, to develop a career in an occupation. However, they can also be expensive and rigid forms of training and should not be seen as a proxy for all forms of workplace learning.

Latest reports also show that the number of people starting apprenticeships has [dropped by 19%](#) since this time last year. Less than a quarter (24%) of starts so far in 2020-21 were among the under 19-s. To help tackle these challenges, the CIPD has called on the Government to [reform the apprenticeship levy into a more flexible training levy](#) to help boost employer investment in skills and ensure that a greater share of apprenticeships go to new labour market entrants.

Giving employers greater flexibility would allow employers to develop existing staff through other forms of accredited training, which would be cheaper and more suitable for those who are 25 and over. This would then leave more money to invest in apprenticeships for young people. In fact, when employers were asked about the effectiveness of a range of mechanisms to help them dealing with the impacts of the Covid-19 pandemic, amending the apprenticeship levy to a flexible training levy (along the lines set out above) was considered the most effective measure, with 42% of employers reporting that it would be effective or very effective, compared to just 10% of respondents who reported that it would be ineffective/very ineffective.