

17 June 2015

## **Full Employment and Welfare Bill - youth employment, education and training**

### **Purpose**

For discussion and direction.

### **Summary**

This paper summarises the main policy agendas relating to services supporting the engagement of young people in education and training and their transition from school to work. It analyses the potential impact on councils, including the impact of proposals included in the Full Employment and Welfare Bill.

### **Recommendations**

1. Discuss the potential implications and opportunities for councils of government's agenda and the Full Employment and Welfare Bill for services supporting young people from school into the world of work.
2. Discuss the proposed areas of focus for the LGA, working with other Boards.

### **Action**

Officers to take action arising out of discussion, as directed by members.

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## **The Full Employment and Welfare Bill - youth employment, education and training**

### **Summary of the Full Employment and Welfare Bill**

1. The Full Employment and Welfare Bill, which is yet to be published, is likely to legislate for the reform of a number of services to young people, including to:
  - 1.1. Create duties on ministers to annually report on job creation and apprenticeships;
  - 1.2. Replace Jobseeker's Allowance for 18 to 21 year olds with a Youth Allowance time-limited to six months, after which individuals will be required to undertake an apprenticeship, training or community service;
  - 1.3. Remove the automatic entitlement of 18 to 21 year olds to Housing Benefit;
  - 1.4. Provide Jobcentre Plus support in schools to supplement careers advice;
  - 1.5. Freeze the main rates of a number of working-age benefits, tax credits and Child Benefit and reduce the level of the benefit cap.
2. The Bill, together with wider reforms, will impact councils on a number of ways which are summarised below together with some proposals for LGA activity for member discussion and direction.

### **Careers advice and Raising of Participation Age (RPA)**

3. The Full Employment and Welfare Bill will legislate for Jobcentre Plus (JCP) advisers to offer careers advice in schools, despite having minimal experience working with young people under 18. This follows other policy initiatives – such as the establishment of a national careers company – to deal with wide concerns with the quality of careers advice in schools and colleges.
4. The proposals risk adding further complexity to an already very fragmented service landscape within which councils have very few levers to deliver on their statutory duties to support the raising of the participation age (RPA) to 18 years old this academic year; to track and reduce disengagement among 16 to 18 year olds; and to secure a good place in education and training for every young person.
5. A recently-published LGA survey shows that just 7 per cent of councils now feel they have the funding and levers to deliver on this duty<sup>1</sup>. The survey found that the transfer of the responsibility to provide careers advice from councils to schools has had a significant impact, with 61% saying that it restricted their capacity to deliver their statutory duties to a great extent, compared to 26% who said school reforms 19% who said further education reforms were causing difficulties.
6. It is proposed the Board continue to present the case for public service reform that enables councils to hold the levers and funding to effectively carry out their statutory duties to young people.

### **16 to 18 further education and sixth forms**

<sup>1</sup> [http://www.local.gov.uk/web/guest/media-releases/-/journal\\_content/56/10180/7319911/NEWS](http://www.local.gov.uk/web/guest/media-releases/-/journal_content/56/10180/7319911/NEWS)

7. Government is unlikely to shift from the coalition government's policy on post-16 education, which established the Education Funding Agency to fund post 16 institutions on a national per pupil funding model unprotected from budget reductions. As a result, councils have no formal levers to influence post 16 provision. Almost all councils (95 per cent) felt this restricted their capacity to deliver on their statutory duties, 12 per cent to a great extent. Despite this, councils seek to work with schools and providers to plan provision around young people and inform courses that meet the needs of employers.
8. The Cities and Local Government Devolution Bill has paved the way for Greater Manchester to hold influence over Further Education, an opportunity welcomed by colleges and employers in the region and sought by other areas. Ofsted is also supportive of a stronger council role, recommending stronger and clearer arrangements of local accountability in post 16.
9. It is proposed that the Board continue to campaign for a greater council role in post 16 education, and work with the relevant LGA Boards to support councils wanting to gain powers over further education through the devolution deal processes.

#### **Earning or learning 18 to 21 year olds**

10. The Full Employment and Welfare Bill will legislate to replace Jobseekers Allowance for 18 to 21 year olds with a Youth Allowance time-limited to six months, after which young people will be required to undertake an apprenticeship, training or community service. The Bill will also remove automatic entitlement to Housing Benefit from 18 - 21 year olds.
11. Our assumption is that is that new Youth Allowance will be conditional on participation in education, training and/or employment programmes. There are risks that the Youth Allowance will have little impact if the services supporting young people towards work do not improve. For example almost 60 per cent of unemployed people do not claim JSA and so do not access official help, a figure which has doubled since 2012.
12. Councils do not have statutory duties for all young people over 18 but the majority do provide some support to vulnerable 18 to 25 year olds and have specific duties to support those with Special Educational Needs. The removal of Housing Benefit is likely to put more 18 to 21 year olds at risk of homelessness, placing additional pressures on council housing departments. Two thirds of existing young Housing Benefit claimants qualified because they are particularly vulnerable.
13. Before the election the LGA recommended creating a new Youth Offer, organised and planned locally by councils and JCP, to enable all young people over 14 years old to access independent careers and employment advice and work experience while in education, training or work. The offer would bind local partners into a commitment guaranteeing every young person support into training, an apprenticeship, or sustained employment<sup>2</sup>.
14. It is proposed the Board, working with other relevant LGA Boards, build a positive and evidenced case for the role of councils in ensuring more vulnerable young people over 18 have the support they need to engage in education, training or work.

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<sup>2</sup> [http://www.local.gov.uk/economy/-/journal\\_content/56/10180/7151113/ARTICLE](http://www.local.gov.uk/economy/-/journal_content/56/10180/7151113/ARTICLE)

## **Apprenticeships**

15. Government has pledged to create 3 million apprenticeships over the course of the parliament, and the Full Employment and Welfare Bill will require ministers to annually report on job creation and new apprenticeships. There were 2.2 million apprenticeship starts over the last Parliament, however too few apprenticeships are school leavers looking for their first job, and too many are over 25s already in work with their employer.
16. Government is yet to set out how it will deliver 3 million apprenticeships, but there is a risk that the pursuit of numbers without reform of the system will not resolve issues with how local employers are engaged. The system's struggle to create opportunities for young people out of work will also place limits on the ambitions of the Youth Allowance.
17. Councils have proved to be most able to work both with local employers to create opportunities, and with schools, colleges and family services to help young people get the advice, experience and help to take opportunities<sup>3</sup>. A number of councils have had some devolved funding and national support of local apprenticeship hubs, however the system overall is not enabling or supporting such local efforts in the majority of places.
18. It is proposed the Board, together with other relevant LGA Boards, work positively with government to promote and the role of councils in creating quality apprenticeship places for young people, and make the case for greater levers to enable this in all places.

## **Recommendations**

19. Members are asked to:
  - 19.1. Discuss the potential implications and opportunities for councils of government's agenda and the Full Employment and Welfare Bill for services supporting young people from school into the world of work
  - 19.2. Discuss the proposed areas of focus for the LGA, working with other Boards:
    - 19.2.1. to continue to present the case for public service reform to give councils the levers and funding to effectively carry out their statutory duties to young people;
    - 19.2.2. build the case for the role of councils in ensuring more vulnerable young people over 18 have the support they need to engage in education, training or work;
    - 19.2.3. continue to campaign for a greater council role in post 16 education and support councils to gain additional powers through the devolution deal processes; and
    - 19.2.4. work positively with government to promote and the role of councils in creating quality apprenticeship places for young people.

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<sup>3</sup> <http://www.ippr.org/publications/learner-drivers-local-authorities-and-apprenticeships>