



100% Employment Opportunities for Northern Ireland Care Leavers

An Executive Summary



In partnership with:



Why was this research commissioned?

This research has been commissioned as part of the Aiming Higher* project. To further build on the work of Aiming Higher, and indeed the work of other Northern Ireland-based projects and initiatives to support care leavers, Business in the Community and Include Youth were keen to explore the feasibility of offering 100% employment opportunities to care leavers here.

This is set in the context that, in Northern Ireland, we have relatively small numbers in question. The research digs deeper into the extent of additional barriers care leavers face, the lack of a 'level playing' field, the positive outcomes achieved to date and the high economic and social cost of care leavers becoming and remaining 'Not in Education, Training or Employment' (NEET).

Executive Summary

Introduction

This research has been undertaken as part of the Aiming Higher project, an employer engagement and mentoring programme funded by the Big Lottery Fund NI. The project, which has operated since January 2013, helps young people aged 16-21 who are in or leaving care move into education, training or employment, and is co-delivered by Business in the Community NI and Include Youth. Aiming Higher has successfully engaged employers across a range of business sectors in a variety of activities to help improve employability skills and positive outcomes for care leavers.

To build on the work of Aiming Higher and other Northern Ireland initiatives to support care leavers, Business in the Community and Include Youth commissioned a report on the feasibility of offering 100% Employment Opportunities to care leavers. This work is particularly important given the extent of the barriers to participation faced by care leavers and the high economic and social cost of care leavers becoming and remaining NEET (not in education, employment or training). The relatively small numbers in question in Northern Ireland and the

Aiming Higher is an exciting employer engagement and mentoring programme that helps young people aged 16-21 who are in or leaving care, move into Education, Training or Employment. It is funded by the Big Lottery Fund and co-delivered by Business in the Community and Include Youth. Running for three years from January 2013 - December 2015, the project has successfully engaged employers across a range of business sectors, in a variety of activities to help improve employability skills and positive outcomes for care leavers.

positive outcomes achieved to date suggest this is both a worthwhile and achievable aspiration.

The purpose of this report is to present the business case for providing care leavers in Northern Ireland with 100% Employment Opportunities. The report argues that a range of short-term and long-term financial costs are associated with young people remaining outside education, employment or training for lengthy periods of time, and that these costs are likely to be significantly greater than the costs of providing employment of suitable quality and duration to each care leaver who would benefit from such an opportunity. The report draws on evidence contained in academic and policy literature from Northern Ireland, the rest of the United Kingdom, and Europe to explore the challenges facing care

leavers and young people not in education employment or training (NEET), the risks of specific negative outcomes for these young people, and the methodologies that have been employed to calculate annual and lifetime costs of being NEET. In particular, it examines the size and structure of the care leaver population in Northern Ireland, the outcomes for these young people including the proportion who become NEET, and the distribution of NEET care leavers and other vulnerable groups across different Health and Social Care Trusts (HSC Trusts).

The report also explores the structure of the Northern Ireland labour market, with particular reference to the number of job vacancies and their suitability for young care leavers, many of whom will lack work experience and educational qualifications. It presents

What employers think

There is an appetite amongst the private sector in Northern Ireland to help improve the employability skills of NEETs and the NI population in general. Employers are keen to ensure access to a future skilled workforce to ensure sustainable growth. Many companies also consider it an important aspect of their Corporate Responsibility and view it as an opportunity to develop their own staff through mentoring and sharing skills. Many organisations delivering support programmes for NEETs will have developed a bank of employer connections and rely on them to deliver employer-led CV clinics, mentoring programmes, workplace visits and work placements to improve work readiness. The Citywide Employers' Forum, which supports the long-term unemployed move into work, is another such example. This research proposes to go a step further than pre-employment support, to explore how real jobs could be made available to 100% of young people leaving care.

three policy options for creating 100% Employment Opportunities for care leavers, together with estimated costs per young person of providing such opportunities. The report also calculates the financial costs associated with being NEET using two distinct approaches. One adapts research undertaken in England in 2009-10 which estimates the average lifetime cost of NEET young people compared with a young person who has not been NEET. The second approach uses case studies, based on three care leavers who participated in a longitudinal ethnographic research project between 2010 and 2013, to estimate the different costs associated with alternative life histories. In all three case studies, the additional costs of remaining NEET far outweigh the cost of a successful intervention.

NEET young people, care leavers and risk

Young people who spend significant periods of time NEET face a greater risk than other young people of long-term unemployment in later life, together with an increased likelihood of involvement in crime, early parenthood, ill-health and other sustained disadvantages. This has been described as a persistent 'scarring' effect associated with being NEET. For example, it has been estimated that, on average, each three months of unemployment before the age of 23 translates into

an additional 1.3 months out of work between the ages of 28 and 33 years, and that youth unemployment can reduce wages by around 12-15 per cent by the age of 42. For the most vulnerable young people, these scarring effects are likely to be greater and more enduring. Furthermore, whilst early labour market exclusion can have serious implications for the individual, there are also broader costs associated with youth unemployment and low skills. These include:

- Public finance costs, related to welfare payments, lost tax revenue, increased demand for health and social services; and
- Resource costs associated with reduced economic activity and lost earnings for the individual

Young people who are NEET for lengthy periods are also less likely to participate in civil society and the democratic process, and tend to demonstrate lower levels of institutional trust – relating, for example, to policing, health, education, and other official bodies.

Care leavers are particularly vulnerable in this respect, being more likely to become NEET than many other groups of young people and also less able to draw on family resources to help them reduce the scarring effects discussed above. Whilst the NEET category is highly diverse, those from disadvantaged

circumstances are at greatest risk of spending sustained periods of time outside education and work. Data from Northern Ireland and further afield shows that young people who have spent time in care are amongst those most vulnerable to becoming NEET.

- The proportion of 16 to 18-year-old care leavers in Northern Ireland whose status is NEET or unknown has fluctuated around 35 per cent since 2010.
- The corresponding proportion for 19-year-old care leavers has been around 40 per cent over the same period.
- The NEET rate for all 16 to 24-year-olds in Northern Ireland varied between 13 and 17 per cent during 2013-15.

In addition, care leavers are also vulnerable to risks such as early parenthood, homelessness, poor health and involvement in crime. Across the UK, a very high proportion of the prison population has been in care. Looked-after teenage girls are 2.5 times more likely to become pregnant than other teenagers, and around half of children in care have clinically significant mental health problems. Although such risks may exclude some from the labour market for significant periods of time, and make finding suitable employment difficult for others, it should be possible to

provide employment opportunities at some stage during the period after leaving care. Moreover, the potential benefits of accessing good quality, paid employment are arguably even greater for the most vulnerable young people, provided appropriate support is in place to ease their transition to work.

Current provision

There is a commitment amongst the private sector in Northern Ireland to help improve the employability skills of NEET young people and the NI population in general. Employers are keen to promote a skilled workforce to ensure sustainable growth. Many companies also regard improving employability as an important aspect of corporate responsibility, and view it as an opportunity to develop their own staff through mentoring and sharing skills. Many organisations delivering support programmes for NEET young people have developed strong employer connections and rely on them to deliver employer-led CV clinics, mentoring programmes, workplace visits and work placements to improve young people's employability. The City Wide Employers Forum, which supports the long-term unemployed to move into work, is another example. 100% Employment Opportunity proposes to go significantly further than pre-employment support, to help facilitate access to jobs for all young people leaving care.

In response to the challenges facing care leavers, there have been a number of initiatives which have sought to increase labour market opportunities for these young people in Northern Ireland and to prepare them for the world of work. These

include targeted initiatives run by voluntary organisations such as Business in the Community and Include Youth and Employability Services run by the five HSC Trusts. Each HSC Trust has employability and guidance schemes in place which help prepare young people for employment. Certain core principles underpin this provision, including developing life and work-related skills; providing each young person with a career plan; promoting access to work and training with local businesses; and offering employment opportunities with the Trust itself (DEL/DHSSP, 2009). HSC Trusts have developed a range of service models, with many features which would provide a foundation for a 100% Employment Opportunity. For example, ring-fenced posts within HSC Trusts, social clause provision in partnership with a number of companies; tailored personal development; mentoring programmes; workplace tours, 'taster days'; and work placements, traineeships and salaried apprenticeships linked to employer demand. A variety of quantitative and qualitative measures is used to monitor and improve the performance of Trusts in relation to the training and employment of care leavers. Whilst such provision has brought with it many instances of success, those who have been in care remain disproportionately vulnerable to becoming and remaining NEET and to sustained disadvantage thereafter. Clearly, there is an opportunity to address this matter in an even more comprehensive and far-reaching fashion than hitherto.

The nature of a '100% Employment Opportunity'

It is against this backdrop that we set out the case for a '100% Employment Opportunities' initiative for care leavers – an ambition which we recognise is bold but believe is achievable, especially in the Northern Ireland context. Despite a generally less buoyant labour market than other parts of the UK, and some specific barriers to participation, the number of care leavers is relatively small, as is the proportion of jobs which would be required to provide employment for them.

During the 2014-15 financial year, 54,676 employment vacancies were notified to the Department of Education and Learning (59 per cent being full-time jobs, 33 per cent part-time, 8 per cent casual employment). Although many of these vacancies would not be suitable for care leavers, 22 per cent of vacancies in Northern Ireland during 2014-15 – a total of 11,879 jobs (4,760 full-time positions) – were in 'elementary' occupations. The largest single category of job vacancies therefore relates to work which usually requires only basic education or short periods of work-related training. Whilst the number of care leavers varies across the different HSC Trusts and data is not complete, an informed estimate suggests that each year approximately 200 NEET young people in Northern Ireland aged between 16 and 21 are care leavers. Given this:

- Around 1.7 per cent of entry-level job vacancies in Northern Ireland would need to be filled by NEET care leavers in order to achieve 100% Employment Opportunities within a year.
- If, however, we assume that roughly a third of NEET care leavers would need to engage in further education or training before starting work this would mean approximately one per cent of entry-level job vacancies would need to be filled by approximately **132**

100% Employment Opportunity proposes to go significantly further than pre-employment support, to make real jobs available to all young people leaving care.

NEET care leavers in order to achieve 100% Employment Opportunities within a year.

- The proportion of entry-level job vacancies may be further reduced if certain individuals were able to secure employment in, say, administrative work or sales.

The cost of providing employment for a care leaver would be made up largely of wages, training costs, travel and other expenses, the costs of liaison between Health and Social Care Trusts and specific employers, and the unit costs of administering the 100% Employment Opportunities initiative. It may be possible for employers or other organisations to claim back all or part of training costs, and employer National Insurance contributions for young people under 21 were abolished from April 2015. We consider that, apart from the regular liaison with employers mentioned above (probably undertaken by Personal Advisers or other professionals with knowledge of the individual care leaver), support costs would be no greater than would be needed if the young person was not in work. Wage costs for a 16-20 year old may amount to some £8,500 based on a 30 hour week, so that the total additional cost of providing employment to a care leaver under this initiative for one year is likely to be around £10,000-£12,000. Set against this, it is estimated that:

- The average lifetime public finance cost of a care leaver remaining NEET, compared to a non-NEET young person is £130,000, and the average resource cost is £145,000.

The complexity underlying such averages is illustrated in this report through the use of case studies which feature three young care leavers – Isla, Cayden and Danny – each of whom have led very challenging lives and are at risk of becoming long-term NEET. In each case, two scenarios, A and B, are presented. In Scenario A, the young

The average lifetime public finance cost of a care leaver remaining NEET, compared to a non-NEET young person is £130,000, and the average resource cost is £145,000.

person becomes NEET, whilst in Scenario B they are able to enter and sustain employment.

Isla is a young woman who, after spending some time as a teenager in foster care and then living in bed and breakfast accommodation for two months, returns to her parents' home and begins a hairdressing course at a local college. In her 'A' scenario, Isla's educational career is short-lived and unsuccessful, she leaves home again and becomes pregnant, losing custody of her child to her boyfriend and his parents. The future we envisage for her is one largely of unemployment, alcohol abuse and further pregnancies, leading to two further children being taken into long-term foster care. Due to the high costs of foster care, we estimate that this scenario leads to a total public finance cost of around £1 million (around £160,000 in benefits and £840,000 in care costs).

By contrast, Isla's 'B' scenario involves sustained work as a hairdresser, stable motherhood and a return to full-time work when her children are older. Isla still receives around £24,000 more in benefits than she contributes, but earns nearly £170,000 by the age of 40, compared with only £4,000 in her 'A' scenario. Although Isla's 'spending power' (the total of her benefits and earnings minus her contributions) is only £30,000 more in her 'B' scenario than in 'A', the great majority of this spending power comes from earnings rather than benefits. Moreover, the difference in the quality of her life and that of her children is even more significant.

In the two other cases, it is equally apparent that the consequences associated with the individual becoming and remaining NEET or them making their way in the world of work are substantial – socially,

financially, and in terms of personal well-being. In some circumstances, differences in costs entailed may amount to over £1 million by the age of 40 for certain individuals. Improving the employment prospects of care leavers is therefore in the interests of individual young people and their families, but there are also potentially substantial benefits for government, public bodies, and employers – both as contributors to the public purse, and providers of goods and services across the economy.

It is important to note that costs and benefits will vary considerably from one young person to another, and may be increased or decreased according to individual circumstances and the nature and availability of support care leavers are able to receive, particularly from HSC Trusts. In each case study, Scenario B is based on the assumption that, not only is the provision of an employment opportunity successful in removing the young person from the NEET category, but that this success is sustained for long enough to effect a significant change in their future prospects, including both labour-market advantage and an avoidance of high-risk behaviours. In order to achieve this, the role of the Personal Adviser and other support structures would be just as important during and after the work experience provided by the 100% Employment Opportunities as if the young person had remained NEET.

There are nevertheless significant challenges associated with improving employment opportunities for care leavers and, whilst much good will exists, there is also a need to develop a coherent course of action to improve their position in the labour market. The report therefore contains three policy options, each of

which offers the potential to improve employment prospects for care leavers in Northern Ireland. These we describe as:

- **New Jobs, New Prospects:** the creation of jobs specifically for NEET care leavers
- **Ring Fencing Opportunities:** reserving a small proportion of existing job vacancies for NEET care leavers
- **A Care Leavers' Pledge:** a commitment from employers, HSC Trusts and other organisations to support care leavers seeking work, including a guaranteed interview for appropriate job vacancies; workplace mentoring; advice and guidance; support with travel costs and other work-related expenses.

Whilst each scenario is based on a greater or lesser degree of labour market intervention, they are all underpinned by certain key principles which, it is argued, offer tangible advantages both for care leavers and employers. The three scenarios should not, however, be regarded as 'off the shelf' solutions but perhaps be regarded as a reference point for debate and development.

The report concludes by arguing that there is a strong case for the creation of 100% Employment Opportunities for care leavers – both economically and in terms of social justice. The benefits associated with this, we argue, are likely to outweigh the costs associated with any programme of intervention, or indeed non-intervention.

About the Researchers



Robin Simmons is Professor of Education at the University of Huddersfield. He is co-author of the books *NEET Young People and Training for Work, and Education, Work and Social Change*.



Ron Thompson recently retired as Reader in Education at the University of Huddersfield. He is currently working on a major research project funded by the Gatsby Foundation. Ron is co-author of *NEET Young People and Training for Work and Education, Work and Social Change*.

For more information, visit www.bitcni.org.uk

Notes

Business in the Community is a unique movement in the UK and Ireland of over 800 member companies (over 260 of which are in Northern Ireland), with a further 2,000+ engaged through our programmes and campaigns. We operate through a local network of more than 100 business-led partnerships and 60 global partners.

Our sister organisation, Business in the Community Ireland is situated in Dublin. To find out more about their work, visit www.bitcni.org.uk or call **00353 1 874 7232**.

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