



PERSPECTIVE

Raising the participation age

Keeping it on track

Mark Corney
MC Consultancy

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In the area of 14–19 policy, Mark co-authored *Raising the leaving age to 18: Symbol or Substance?* (2007) with Mick Fletcher and Geoff Stanton, published by CfBT. He also co-authored with Mick Fletcher *New Localism*

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Summary

“The present Labour Government has consistently stated that each element of the legislation would be raised in 2013 to the end of the academic year in which young people are 17 and in 2015 to their 18th birthday.”

The proposal

1 The 2008 Education and Skills Act enables a future government to raise the participation age to 18 in England and introduce a statutory right to release for study, underpinned by civil sanctions. The present Labour Government has consistently stated that each element of the legislation would be raised in 2013 to the end of the academic year in which young people are 17 and in 2015 to their 18th birthday.

The pamphlet

2 Using the term ‘raising of the participation age’ (RPA) when referring to both aspects of the legislation, this pamphlet explains how the RPA will radically change the definition of what counts as being in education and training compared with today (Sections 1–4). It also describes how the Labour Government has been taking forward a **twin-track strategy** for its implementation (Sections 5–6). However, this strategy is threatened with being **blown off course** because of the lack of a political consensus over the RPA and more broadly the 14–19 phase of education and training. This makes for considerable uncertainty in the context of the next general election (Sections 7–9). Similarly, the strategy is threatened by economic factors and particularly the spectre of rising youth unemployment (Sections 10–15). This concern has even led to the idea that the participation age should be increased to 18 in September 2009. A halfway house would be to increase it to 17 in September. This pamphlet judges that both ideas would be unwise. It suggests that the only way to **keep the RPA on track** is to introduce a 16–17 Jobs and Skills Plan until 2013 to minimise 16–17 youth unemployment, and continue to target interventions on today’s Year 7 who will be the first cohort who must stay on in education and training until Year 12 in 2013 aged 17 (Sections 16–23).

Old measures, new concepts

3 The RPA proposal radically changes the way in which participation will be counted compared with the categories used today. The requirement to participate excludes 16 and 17 year olds who have achieved a **Level**

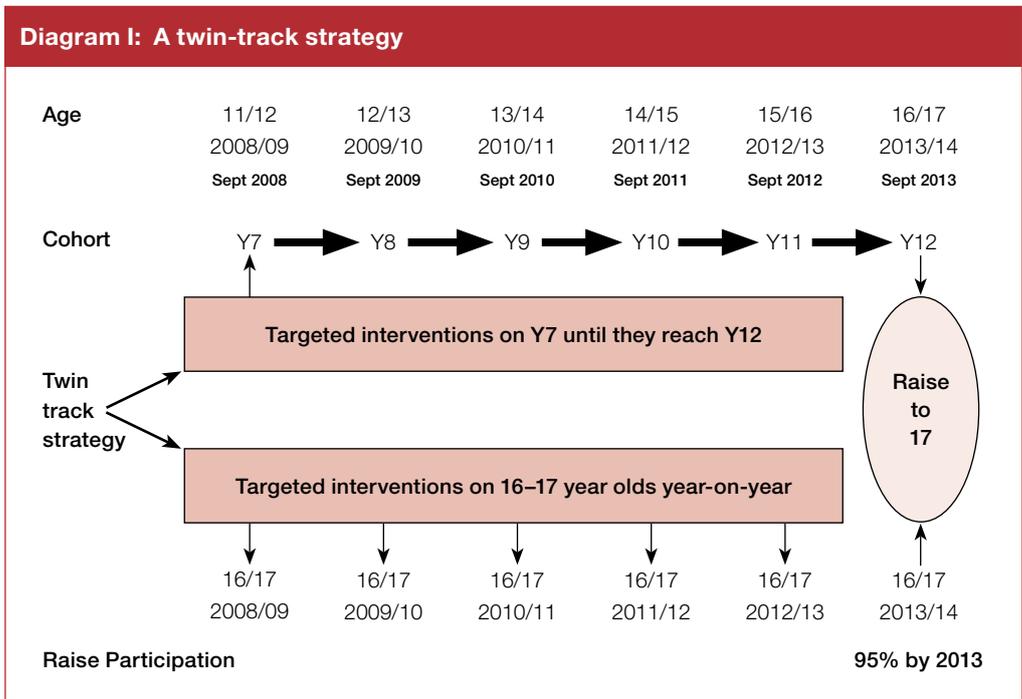
3 qualification. Hence, categories counting towards participation would be: (i) full-time education (16 hours or more per week); (ii) waged apprenticeships; (iii) unwaged work-based learning including programme-led apprenticeships; (iv) jobs of 20 hours or more with statutory release; (v) jobs of 20 hours or more with accredited employer-funded training; and (vi) accredited activity other than accredited education and training of at least 16 hours per week. Another category would be 16 and 17 year olds with a **reasonable excuse** not to participate. The remainder would be classed as **truants**.

A twin-track strategy

4 The Labour Government has been pursuing a twin-track RPA strategy (see Diagram I). The first aim is to manage down non-participation in education and training to a level where compulsion in 2013 and 2015 would increase participation rather than result in mass truancy. The second aim is to target interventions on today’s Year 7 who would be the first cohort who must stay on in learning or accredited activity when they reach Year 12 aged 17 in 2013. The current government has assumed that participation by September 2013 must reach around 95% of 16 and 17 year olds before embarking on compulsion, although most of the final 5% will be 17 rather than 16. By 2015 when the participation age is raised to the 18th birthday, participation at 16 should be 100% whilst participation at 17 is only 90%.

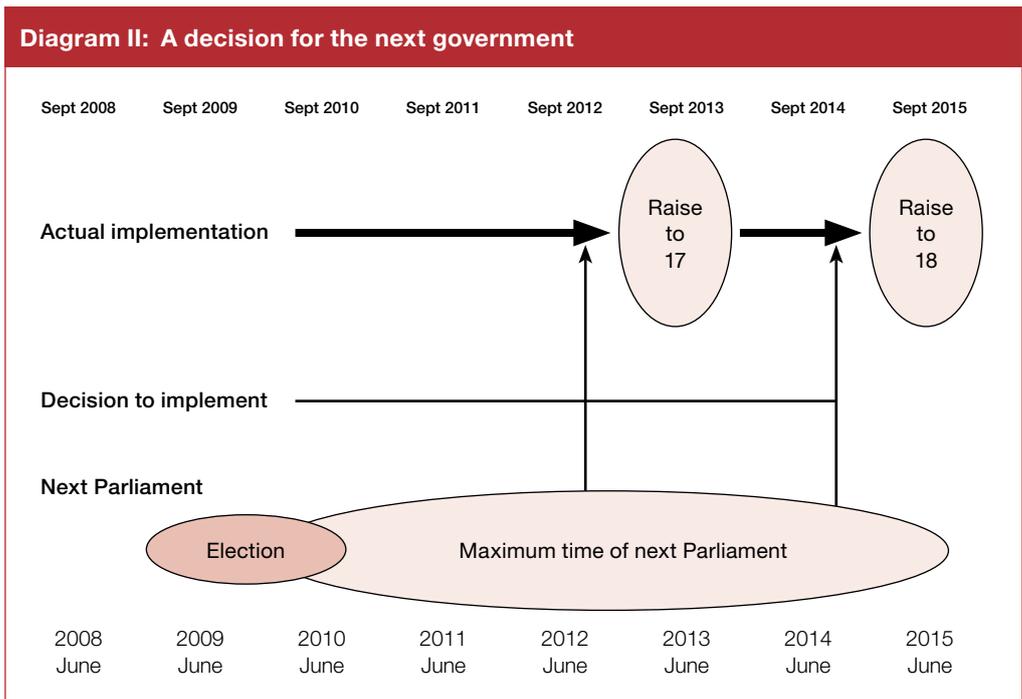
Political uncertainties

5 The RPA is not a done deal. The Conservatives have kept rather quiet over the policy, appearing to support raising the participation age in principle but opposed to the use of civil sanctions because of concerns over 16 and 17 year olds truanting and becoming criminals under the law. They also have serious worries over the bureaucracy associated with statutory release in particular, and with the monitoring of participation under the RPA in general, especially from the perspective of adding burdens on business. Meanwhile, the Liberal Democrats are opposed to the RPA – with or without sanctions – and are against



a statutory right to day release. For them 16 rather than 18 should mark the transition from childhood to adulthood. Bearing in mind that a general election must be held by 3 June 2010, and a decision would need to be taken by September 2012 at the very latest to give the

education and training system time to prepare, the decision to implement the RPA is one for the next government even assuming a four-year Parliament (see Diagram II). Certainly, a hung parliament will add to the political uncertainty surrounding the RPA.



“The Labour Government has developed a three-phase approach to education and skills for young people, namely a 0–7 phase, an 8–13 phase and a 14–19 phase.”

6 Keeping the policy on track in this political environment will be challenging. But support could be broadened by providing a more sophisticated explanation of the role of sanctions (which this pamphlet seeks to offer). Political opponents of sanctions forget that the participation age is a cohort policy. It is the attitudes of today’s Year 7 which need to be positively reshaped towards staying on in education and training when they reach Year 12 in 2013. The threat of civil sanctions, alongside other interventions targeted on them until they reach Year 12, is part of changing the mindset of this cohort. Equally, political opponents of sanctions fail to **do the politics** over the RPA. If, despite the threat of sanctions and other targeted interventions, the government of the day in September 2012 judge that, say, 10% of 16 and 17 year olds – some 120,000 young people – might well refuse to participate and risk becoming truants and possibly criminals, ministers would delay it. Indeed, members of the next Government should recall that the raising of the **school leaving age to 16** was delayed until 1972 because of worries over truancy.

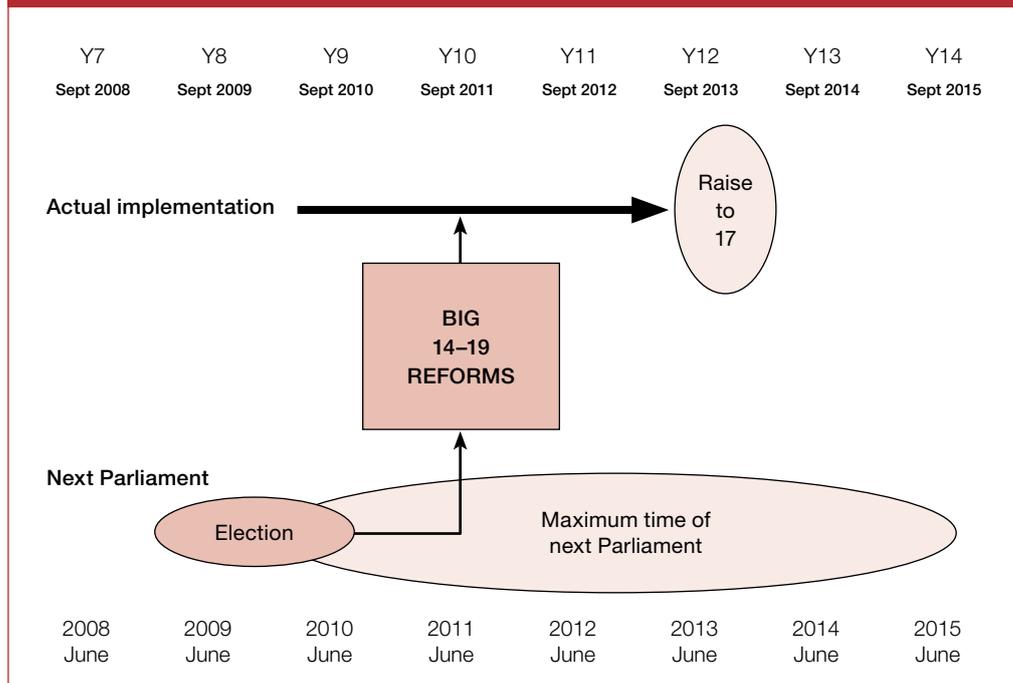
7 In addition, political uncertainty is spilling over into the 14–19 phase. The Labour Government

has developed a three-phase approach to education and skills for young people, namely a 0–7 phase, an 8–13 phase and a 14–19 phase. The creation of a distinct 14–19 phase is intimately linked to the RPA. It is today’s Year 7 who will be in Year 10 in 2011 and who will be the first cohort entering the 14–19 phase who must stay on in education and training until 17. This is why **2011** is pencilled in as the year for big 14–19 reforms (see Diagram III below), including a single national 14–19 funding system and a credit-based 14–19 qualifications framework. By definition, however, big policies for the 14–19 phase will only be necessary if there is political support for a 14–19 phase. September 2010 is, perhaps, the latest date that the next government can indicate its support for the 14–19 phase.

Economic uncertainties

8 Political uncertainties over the RPA are being exacerbated by economic uncertainties. The policy proposal, like so many education and skills policies, was developed on the assumption of economic stability until 2013. In turn, this led to the notion that participation by 16 and 17 year olds might reasonably reach 95% by 2013. Today, the economy is at the

Diagram III: Uncertainty over the 14–19 phase

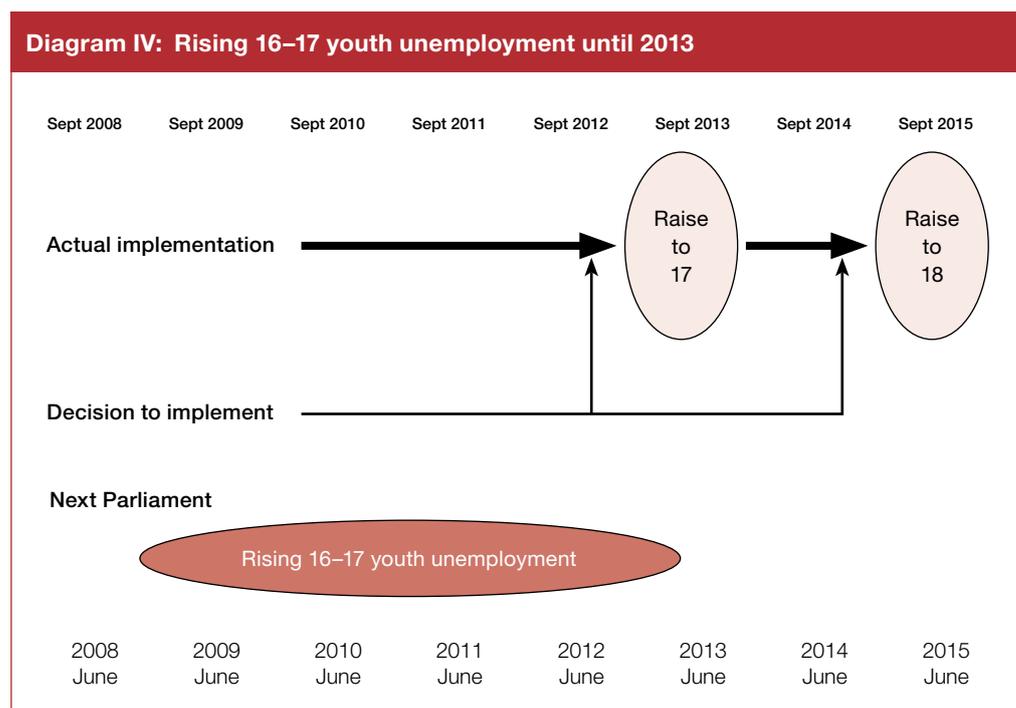


start of a deep and perhaps long recession. Unemployment is a lagging indicator and young people tend to bear the brunt of recessions. Consequently, unemployment amongst 16 and 17 year olds might not peak until the end of 2012 (see Diagram IV below). Irrespective of political support for the RPA, governments of all colours will face the dual challenge of preventing mass unemployment amongst 16–17 year olds **and** increasing participation in education and training at a time of rising youth unemployment. But for a government positively disposed to increasing the participation age to 17 in 2013, the challenge is to increase participation in education and training to around 95% against the backdrop of rising joblessness amongst 16 and 17 year olds.

9 Unemployment among 16 and 17 year olds in 2007 was relatively modest at 4% (53,000). With the recession deeper and longer than expected, categories of 16–17 year olds directly at risk from the recession include those in Jobs without Training (83,000), Jobs with Employer Funded Training (42,000), Employed Apprenticeships (roughly 71,000) and Jobs with Part-time Education (14,000). On the basis of 2007 data, over 200,000 young people could be at risk, many of whom are aged 17 rather than 16. However, other

groups of 16 and 17 year olds are also at risk. A third of the 79% of 16 year olds and half of the 67% of 17 year olds in full-time education also work on a part-time basis. If young people in full-time education from poorer families lose their part-time jobs they might face financial hardship and could drop out. Furthermore, if their parents lose their jobs, entry rates into post-16 full-time education could fall and drop-out rates could rise because household income is too low to support staying on.

10 Expansion of employer-based apprenticeships was always going to be difficult even in a growing and stable economy from 2007 until 2013. The strategy to boost apprenticeships was to transform Jobs without Training (JWT) and Jobs with Employer Funded Training into apprenticeships. Financial incentives were to be targeted on small firms willing to take on apprenticeships including small firms in the retail and hospitality sectors which have the greatest proportion of JWT. Ultimately, the public sector would be the employer of last resort for 16–17 apprenticeships. Prior to recession, **employer demand** for 18+ apprenticeships was strong but demand for 16–17 apprenticeships – the demand that matters for RPA policy – was weak. Recession will only weaken employer



“Young people wanting a job but unable to get a job with statutory release or accredited training might refuse to participate under the RPA and become truants.”

demand for 16–17 apprenticeships yet further. Despite seeking to grow employer demand within small firms weathering the recession, large private sector firms willing to train for stock and public sector organisations managing to cope with lower revenues, it is difficult to imagine a major expansion above 4% of 16 year olds and 7% of 17 year olds even though demand for 18+ apprenticeships might be robust.

Raising the participation age to 18 from September 2009

11 Political uncertainty over the RPA has been fuelled by speculation that the Labour Government might increase it to 18 from September 2009. A ball-park estimate is that increasing the participation age to the 18th birthday from September 2009 would imply an extra **190,000** 16 and 17 year olds in education and training or participating in accredited activity to ensure 100% participation under the legislation. The scale of such an undertaking would be enormous. It would be three times the current size of the New Deal for Young People (18–24 year olds).

12 There are two general reasons to hold fire on September 2009. The first is that the current cohort of 16 and 17 year olds is higher than the cohort in September 2013. The second is that the legislation would be covering around 15% of 16 and 17 year olds who would not be expected to participate in education and training without compulsion compared to 5% in September 2013.

13 Specific reasons to hold fire include the fact that local authorities, providers and employers only have a matter of months rather than five years to cope with such a policy, build capacity to monitor the new system, develop specialist support via a gateway to prevent truancy and work with young people who have a reasonable excuse under the legislation not to participate. Indeed, the collective evidence from both the Learning Agreement pilots – which help young people in jobs without training access training opportunities – and the Activity Agreement pilots – which help young people not in employment, education and training (NEET) to access jobs with accredited training or re-enter full-time education – signals that **something more** is needed to help the most

disadvantaged young people participate under the RPA. In addition, there is the question of cost. A cautious estimate of the cost of provision and financial support – including Child Benefit, Child Tax Credit and Education Maintenance Allowance – would be £0.65bn between September 2009 and March 2010, and **£1.1bn in a full year**. And finally, the obvious point to make is that increasing the RPA cannot eradicate youth unemployment even if provision and support is available. Young people wanting a job but unable to get a job with statutory release or accredited training might refuse to participate under the RPA and become truants. With participation at 85% rather than 95%, increasing the participation age to 18 in 2009 is simply too risky.

Raising the participation age to 17 from September 2009

14 A half-way house to increasing the participation age to 18 from September 2009 would be to increase it to 17 from September 2009. Politically, this would have some attractions. Increasing it to 17 this September would ensure the legislation was actually implemented (subject to Parliamentary approval). Crudely, it could be seen as part of Labour’s legacy given the uncertainties of the next general election. And from the perspective of education and skills policy, raising the participation age to 17 would mean that compulsion would cover around 65,000 young people, around a third of the total if it were raised to 18. The costs would be more manageable – around £0.4bn in a full year – and the entire summer could be used to communicate to parents that today’s Year 11 taking their GCSEs should look to **stay on in full-time education** from September because the prospects of getting jobs – let alone jobs with training or apprenticeships – are so grim.

15 The downside, of course, is that compulsion would still be covering **10% of 16 year olds** who would not be participating in accredited education and training. In addition, each of the specific reasons cited to argue against increasing the participation age to 18 applies to increasing it to 17. Moreover, the links between the RPA and the development of a robust 14–19 phase on the one hand, and on the other hand the use of the RPA as a cohort policy which provides a framework to engineer

“Worryingly, however, 16 and 17 year olds seem to be the forgotten group in this recession.”

long-term cultural change in relation to staying on in education and training post-16 would be broken. **On balance, this option should also be rejected.**

Action to keep the RPA on track

16 And yet, this does not mean the Labour Government should do nothing. Worryingly, however, 16 and 17 year olds seem to be the **forgotten group** in this recession. Despite increases for apprenticeship funding and recruitment subsidies including training, resources have not been allocated specifically to 16 and 17 year olds. Whilst the Government wishes to prevent unemployment arising amongst adults in the first place by offering help early, including at the workplace, it seems to be prepared to allow 16 and 17 year olds to lose their jobs and then try and help them when they become unemployed. This will only result in a rise in the proportion of 16 and 17 year olds who are unemployed NEET.

17 Instead, the Government needs a strategy which prevents 16 and 17 year olds losing their job wherever possible and expands education and skills provision to forestall a massive rise in unemployed 16–17 year olds. Such a strategy is critical to keeping the RPA on track and increasing participation in education and training in an environment of a contracting youth labour market between now and 2013, whilst continuing to target interventions on today's Year 7 who would be the first cohort to stay on in September 2013.

A Ten-point Jobs and Skills Plan until 2013

18 This pamphlet proposes a **Ten-point Jobs and Skills Plan for 16 and 17 year olds** (see Box 1). Four points are administrative measures (2, 3, 7 and 8). Two points call for a re-allocation of existing resources to 16–17 year olds (1 and 4). One point calls for an increase in financial support (6), and three propose an expansion of provision linked to financial support (5, 9 and 10).

19 If youth unemployment amongst 16 and 17 year olds triples from 4% in December 2007 to 12% by December 2009, and allocations to 16 and 17 year olds of the extra funding for apprenticeships and wage subsidies are modest, around an extra 100,000 places will

be required to keep youth unemployment at 2007 levels. The critical elements of the Ten-point 16–17 Jobs and Skills Plan are the national roll-out of Learning Agreements (Point 5), a new Youth Skills Programme (Point 9) and an expansion of pre-employment, E2E and Entry to Learning provision (Point 10).

The minimum cost of expanding provision by 100,000 places in addition to existing rates of financial support would be around £0.6bn in a full year.

20 The RPA was conceived on the assumption that economic stability would remain throughout the second decade of the 21st century. If there is one silver lining of the present recession, it is that lessons might be learned about how the RPA will need to cope with recessions of the future. To stand the test of time, the RPA will need to be **recession proof**.

Continuing to target today's Year 7

A Truancy Strategy for today's Year 7 until they enter Year 12 in 2013

21 Critics argue that sanctions underpinning the participation age will not deter young people from truanting. Young people likely to face sanctions under the RPA are also likely to have a history of truanting from the time they started secondary education. But the solution to the prospect of truanting by Year 12 in 2013 is to have a truancy strategy specifically targeted on them today when they are in Year 7, aged 11/12, and especially in Year 10, aged 14/15, when historically truanting from school rises sharply.

Three Big Reforms for Year 10 in 2011

22 Funding and qualification systems must not prevent Year 10 in 2011 from being able to choose the **best mix of qualifications** delivered by the **best mix of providers**. If such barriers exist for this cohort, they might become de-motivated about staying on in education and training in Year 12 when instead of staying on under the RPA they become truants. The Government should create a single national 14–19 funding system managed by local authorities covering all 14–19 secondary school funding, 14–19 FE funding, 14–19 academy school funding, 14–19 apprenticeships and 16–18 specialist funding to minimise truancy under the RPA. In the same year, the Government should introduce a 14–19 credit-based qualifications framework but it is also essential

BOX I: Ten-point 16–17 Jobs and Skills Plan until 2013

Maintaining Jobs for 16–17 year olds not in Full-time Education

1. Offer golden hello wage subsidies for employers recruiting 16–17 year olds in jobs with or without employer-funded training
2. Delay applying the 16–17 rate of the National Minimum Wage to waged-based apprentices
3. Develop closer links between Connexions and Jobcentre Plus with 16–17 year olds becoming a priority group for JCP

Increase Participation in Jobs with Training by 16–17 year olds

4. Allocate a specific proportion of the additional 35,000 places for employer-based apprenticeships to 16–17 employer-based apprenticeships including wage subsidies to support small firms taking on 16–17 apprentices, and allocate golden hello wage subsidies and training for organisations offering 16–17 year olds Jobs with Employer Funded Training to turn in-house training into accredited training
5. Set in train the national roll-out of Learning Agreements with wage compensation for time off for study given the recession, alongside the national roll-out of Activity Agreements to assist long-term 16–17 year old NEETs find jobs with training, and access other support whilst receiving EMA-style allowances

Increase Participation in Full-Time Education by 16–17 year olds

6. Increase the value of Education Maintenance Allowances above £30 per week for 16 and 17 year olds and the premium paid to 17 year olds in full-time education and unwaged training eligible for Education Maintenance Allowances
7. Support FE colleges to develop a communication strategy to encourage 16 year olds in college today to stay on until 17, and to inform 15 year olds in schools that college places are available
8. Support FE colleges to develop a communication strategy to persuade 16 year olds in FE colleges today undertaking vocational Level 2 courses to stay-on at 17 and undertake vocational Level 3 courses

Increase Participation in Unwaged Training by 16–17 year olds

9. Fund a new Youth Skills Programme for 16–17 year olds offering programme-led work-based learning
10. Expand pre-employment, E2E and Entry to Learning provision for disadvantaged 16–17 year olds

that every Diploma line is available for 14 year olds from September 2011. Furthermore, Year 10 in 2011 should be permitted to study full time in FE colleges. Relevant clauses should be inserted within the new Apprenticeships, Skills, Children and Learning Bill.

Reform of 16–18 Financial Support for Year 11 in 2013

23 Parents of 16–19 year olds in full-time education and unwaged training receive a mix of non-means-tested Child Benefit and means-tested Child Tax Credit. Students can also receive means-tested EMAs. Public policy must achieve the twin aims of minimising poverty in families with 16–19 year olds in full-time

education and unwaged training, and ensuring financial hardship does not deter students from participating in full-time education.

24 Today's Year 7 will enter Year 12 under the RPA in 2013 aged 16 and 17. 2013, therefore, is the ideal year to **decouple** 0–16 child support from 16–19 financial support. It is also an ideal time for radical reform. **Resources for financial support under the RPA cannot be wasted.**

25 Payment of universal Child Benefit for 16–19 year olds to high-income families does nothing to reduce child poverty or increase participation in post-16 education and training. Children from high-income families are not in

poverty and tend to stay on post-16 anyway. Child Benefit for 16–19 year olds should be means-tested and only paid to households with income of less than £60,000 in line with Child Tax Credit.

26 Means-tested EMAs should not be abolished under the RPA even though there is a duty on 16 and 17 year olds to participate in education and training. Future governments must avoid financial hardship resulting in truancy, especially by young people living independently. EMAs should be retained with a household income threshold of lower than the present £30,000 so that financial support under the RPA is targeted on those who need it most. Given the drop in participation in full-time education from 16 to 17, a premium for 17 year olds should be incorporated into **Reformed EMAs** under the RPA.

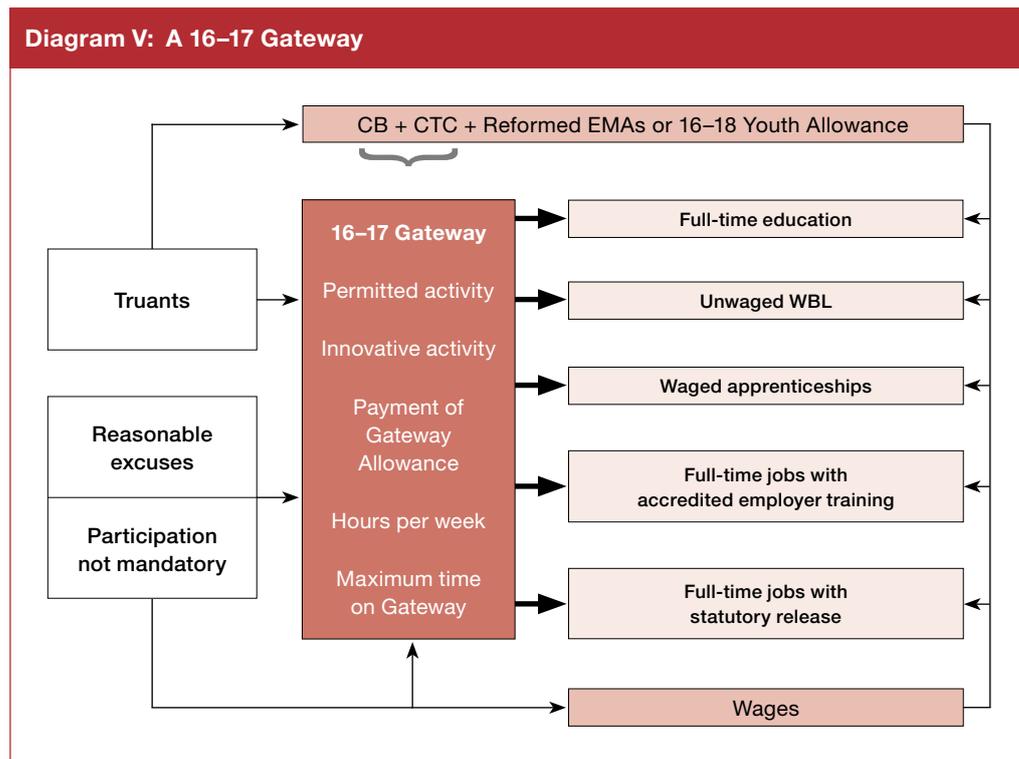
27 As part of the 16–18 Financial Support Review announced by the Government, consideration should be given to introducing a **16–18 Youth Allowance** paid directly to young people. Such an allowance would combine payments of means-tested Child Benefit, Child Tax Credit and EMAs, and payments

of a means-tested allowance to 16 and 17 year olds participating in accredited activities rather than accredited education and training under the RPA. 2013 would again be the ideal year for such a radical reform as the Youth Allowance to be introduced.

A Gateway for Year 12 in 2013

28 By September 2013, a gateway to participation in education and training will need to be in place to meet the needs of the new Year 12 when the participation age is raised to 17. By September 2015, the gateway will need to cater for Year 12 and the new Year 13 when the participation age is raised to the 18th birthday (see Diagram V below). It should be developed with the prospect of catering for the final 5% of 16 year olds and 17 year olds between 2013 and 2015, subject to the 16–17 Jobs and Skills Plan simultaneously managing the problem of youth unemployment and increasing participation in education and training.

29 The Government has recognised that some 16 and 17 year olds will have a reasonable excuse not to participate under the RPA, and some young people might not be



“Under the RPA, 16 and 17 year olds will need to be in a job of at least 20 hours per week with training or remain in full-time education until their 18th birthday.”

ready to participate in accredited education and training. However, the Government must not define reasonable excuses and permitted activity so liberally that it defines away the problem of getting more young people into accredited education and training.

30 Certainly, a range of innovative activities will be required to meet the diverse needs of the final 5% of 16–17 year olds between 2013 and 2015, and particularly the final 10% of 17 year olds when the participation age is raised to 18 in 2015. Indeed, something even beyond the flexible provision available under Activity Agreements might well be required to engage the hard-to-reach. **A review should be undertaken of youth training and youth unemployment programmes from the early 1970s onwards to assess whether any lessons can be learned in meeting the needs of the final group of young people expected not to participate by the time the RPA is introduced.**

31 Truancy under the RPA can be avoided by paying young people within the gateway an allowance. It should be lower than reformed EMAs, to encourage progression. Yet, a Government positively disposed towards the RPA might wish to reconsider whether 16 and 17 year olds will participate in gateway activities for 16 hours a week, the minimum for students in full-time education. Some might find this excessive and truant. **Future Activity Agreement pilots should test participation of 14 hours per week – equivalent to two days per week for seven hours per day – to inform RPA policy.** Similarly, a balance needs to be struck between the maximum length of stay on the gateway, and progression into mainstream education and training. The former cannot be indefinite to prevent progression into accredited education and training, and the latter must not be forced onto young people too quickly otherwise they might drop out and find themselves back on the gateway. **A review of the New Deal gateway should be undertaken to assess any lessons for the 16–17 RPA gateway.**

A strengthened system of part-time HE by age 20

32 Participation in full-time higher education by age 20 acts as a tremendous pull on

participation in full-time 16–18 education, especially young people on the academic route of GCSEs and A levels. The prospect of going to university and studying full-time by age 20 pulls up 16–18 participation. By comparison, the pull effect on 16–18 participation from the prospect of entry into full-time higher education by age 20 is less strong for young people on the **vocational route**. On the one hand, only 47% of young people with vocational Level 3 qualifications enter full-time HE by age 20. On the other hand, many 16 year olds without five good GCSEs A*–C stay on in full-time education to do a vocational Level 2 qualification rather than GCSE re-sits but then leave at 17 to find a job with or without training.

33 Under the RPA, 16 and 17 year olds will need to be in a job of at least 20 hours per week with training or remain in full-time education until their 18th birthday. The trick is to encourage more 16 and 17 year olds with vocational Level 2 qualifications to stay on and progress to vocational Level 3 qualifications. But young people might be more prepared to stay on to undertake vocational Level 3 qualifications if the pull effect from HE by age 20 was stronger. In turn, **the pull effect could be stronger if this group of young people could combine a job with part-time HE by age 20.** And this requires a stronger framework of financial incentives to young people and employers to cover fees, learning costs and time for study in working hours.

From participation age to the learning leaving age

34 A future government positively disposed towards the RPA should recognise that the ultimate aim is to increase the proportion of young people in accredited education and training. The term **learning leaving age** should be used to inform Westminster, Whitehall and the media that the aim is not to raise the school leaving age or the education leaving age. The learning leaving age is a cultural, as well as a cohort, policy. **It is part of overcoming the divide between ‘education for the best and skills for the rest’** (see Box II).

BOX II: What to call it?

- The statutory participation age
- The statutory leaving age
- The statutory school leaving age
- The statutory education leaving age
- The statutory education and training leaving age
- The statutory learning leaving age

Old measures, new concepts

“The centrepiece of the 2008 Education and Skills Act is a new statutory duty on young people in England to participate in education and training until age 18.”

1. Raising the participation age

The 2008 Education and Skills Act

1.1 On the 28th November 2007, the Education and Skills Bill was introduced to Parliament. It received royal assent on the 26th November 2008. The centrepiece of the 2008 Education and Skills Act is a new statutory duty on young people in England to participate in education and training until age 18. Integral to, but separate from, raising the participation age is a new duty on employers to offer young workers in full-time jobs release for study on a day or block release basis. **This pamphlet uses the term ‘raising of the participation age’ (RPA) when referring to both aspects of the legislation.**

The RPA in brief

1.2 The assumption is that the participation age will be raised to 17 in 2013, requiring participation until the end of the academic year. A gap of a year will follow until it is raised to the 18th birthday in 2015 (see Box 1 below). **The policy intention, however, has never been to raise the participation age to 17 in 2013 and leave it at that.**

1.3 More specifically, participation is defined as working towards the achievement of a Level 3 or reaching age 17/18, whichever is the sooner. 16 and 17 year olds achieving a Level 3 will fall outside the scope of the RPA, a point little appreciated when the proposal was first announced (see Mick Fletcher *et al*, CfBT, May 2007).

1.4 Exemptions will only apply if young people have a **reasonable excuse**. For instance, teenage mothers will not need to participate for a period before and after the birth of their baby. Similarly, homeless 16–17 year olds will only have to participate when appropriate accommodation has been found for them. Nonetheless, once the problem giving rise to the reasonable excuse is tackled the expectation is that young people must participate in some form of accredited activity.

1.5 During the early debates on the RPA, the Government tended to emphasise the aim that young people should participate in accredited education and training, either a full qualification or a unit of a qualification.

BOX 1: Key aspects of the RPA

- From 2013, a duty to participate until achievement of a Level 3 qualification or the end of the academic year in which young people are 17, whichever is the sooner.
- From 2015, a duty to participate until achievement of a Level 3 qualification or young people reach their 18th birthday, whichever is the sooner.
- Participation expected by all 16 and 17 year olds unless they have a reasonable excuse.
- Participation in accredited activity with an expectation that all young people should be studying for recognised qualifications or a unit of a recognised qualification.
- Participation in full-time education or accredited activity of at least 16 hours per week.
- Participation in work-based learning including employer-based apprenticeships, programme-led work-based learning and pre-employment programmes.
- Participation in statutory day or block release – equivalent to 7 hours per week for 40 weeks – to be offered by employers to 16 and 17 year old employees in jobs of 20 hours or more.
- Participation in accredited employer training where 16 and 17 year old employees are in jobs of 20 hours or more.
- Civil sanctions will apply to young people who refuse to participate and on employers who refuse to offer day release.

“There are considerable problems with snapshot data. Part of the problem is the degree of churn between key categories in year as well as between ages 16 and 17.”

By contrast, during the passage of the Bill in Parliament the emphasis changed to a position where participation on accredited education and training should be the norm but participation on accredited activity would be accepted. An example of **accredited activity** would be a teenage mother attending accredited parenting classes if immediate participation on accredited education and training was unsuitable.

Defining the problem away

1.6 And yet, the policy intention is not to **define the problem away**. On the one hand, the definition of reasonable excuse must not be so liberal as to define away the problem of non-participation. On the other hand, participation in accredited activity cannot be a long-term substitute for progression into accredited education and training.

Truants and sanctions

1.7 Young people who have a duty to participate but choose not to do so will in effect be **truants** under the RPA. To enforce participation, civil sanctions will apply. Young people in jobs of 20 hours or more will be entitled to statutory day or block release. Civil sanctions will apply to employers who refuse to offer this entitlement to young workers.

Participation categories

1.8 There is a great deal of difference between the categories of what counts as participation in education and training today, and the categories which might count as participation under the RPA. But to develop a framework for the latter requires a discussion of the former.

2. The definition of participation today

National Statistics

2.1 The national statistics on post-16 participation in education, training and employment provide a snapshot of the activities of young people. There are considerable problems with snapshot data (see Hayward *et al*, *Engaging Youth Enquiry*, Nuffield/Rathbone, October 2008). Part of the problem is the degree of **churn** between key categories in year as well as between ages

16 and 17. Despite this widely recognised limitation, however, the participation statistics provide a useful starting point for analysing post-16 choices by young people. Dismissing them out of hand is tantamount to throwing the baby out with the bathwater. **Important policy insights will be missed.**

Categories counting as participation today

2.2 According to the participation statistics (see DCSF/ONS, SFR 13/2008), the categories which count towards participation in education and training today are full-time education (FTE), work-based learning (WBL), and ‘other education and training’ (OET).

2.3 The definition of full-time education varies according to the type of institution, namely schools, further education institutions and higher education institutions. Participation in FTE covers pupils in maintained schools and independent schools (which in the statistics include private schools, academies, city technology colleges and pupil referral units). Policy commentators often overlook the fact that 16 and 17 year olds in full-time education can be in **employment** (full-time or part-time), can be **unemployed** (having looked for work in the past four weeks) or can be **economically inactive**.

2.4 Work-based learning (WBL) covers three main categories – Advanced Apprenticeships (Level 3), Apprenticeships (Level 2), and E2E. WBL delivered in full-time education settings is principally E2E (pre-apprenticeships) but also covers non-employed Apprenticeships and non-employed Advanced Apprenticeships. By convention, all publicly funded WBL trainees are treated as being in employment. In the official statistics, there is also a slight overlap between WBL delivered in full-time education.

2.5 Other Education and Training (OET) covers young people who are studying but not included in the above definitions, namely (i) full-time learners in independent further and higher education in employment and not in employment; (ii) part-time learners at public and private schools and colleges in employment but not reported as released from a job by their employer; and (iii) part-time learners not in employment.

“The Labour Government has recognised that the definition of apprenticeships within the work-based learning and full-time education categories is not clear.”

2.6 Categories not counting towards participation are Employer Funded Training (EFT), Jobs without Training (JWT) and those Not in Education, Employment and Training (NEET).

2.7 Employer Funded Training (EFT) covers employees who have received training in the past four weeks. However, the category excludes: (i) training received more than four weeks ago; (ii) publicly funded work-based learning (reported as WBL in employment); and (iii) publicly funded full-time education. EFT does not count towards participation because although a small proportion appears to be employer-funded apprenticeships, most is short duration and very little is accredited provision linked to recognised qualifications.

2.8 Those not in education and training (NET) cover two categories, namely those in jobs without training (JWT) and those not in education, employment or training (NEET). To obtain an estimate for NET, the total in education and training is subtracted from the total population estimate.

2.9 The JWT category is defined as young people in employment but not in education and training who may have received employer-funded training but not in the last four weeks.

2.10 Those in the NEET category are split into two groups: those who are ILO unemployed (having looked for work in the past four weeks) and those who are economically inactive.

2.11 On the basis of the official statistics, the national participation rate in 2007 for 16 year olds was 88.5% (see Table 1 and Table 2). The total for 17 year olds was 78.4% (see Table 3 and Table 4). **It should be noted that only 2.6% of 16 year olds and 5.4% of 17 year olds were ILO unemployed.**

2.12 The Labour Government has recognised that the definition of apprenticeships within the work-based learning and full-time education categories is not clear (see *World-class Apprenticeships: Unlocking Talent, Building Skills for All*, DCSF/DIUS, February 2008). As part of the process of making clearer what apprenticeships should be as well as expanding post-14 apprenticeships – including

14–15 Young Apprenticeships, 16–18 Apprenticeships and 19+ Apprenticeships – the Government agreed that a legal definition should be set out in an Apprenticeship Bill. Recently, however, the Government decided to include the legislation on apprenticeships within the proposed Children, Skills and Learning Bill (see Office of the Leader of the House, 3 December 2008). In fact, this legislation is now known as the Apprenticeships, Skills, Children and Learning Bill (House of Commons, 4 February 2009).

2.13 Draft parliamentary bills now receive pre-legislative scrutiny. The draft Apprenticeship Bill was scrutinised by the Children, Schools and Families Committee (see Fourth Report, 5 December 2008) and the Innovation, Universities, Science and Skills Committee (see Seventh Report, 24 November 2008). The latter discussed in detail the definitional problem. This pamphlet, however, suggests that two definitions should be used, namely **employer-based apprenticeships** – where employers are involved, trainees have a contract of employment and are paid a wage – and **programme-led work-based learning** – where there is no contract of employment.

Participation, JWT/EFT and 16–17 Unemployment

2.14 From the perspective of **education and skills policy**, the JWT group is problematic. It does not count towards participation in education and training even though some young people will have received employer training or attended full-time education in the past. From the perspective of **employment policy**, however, JWT is a positive outcome. The existence of JWT prevents youth unemployment or more technically ILO NEET (see Tables 1–4). In short, JWT is ‘bad’ for education and training policy but ‘good’ for employment policy. Indeed, the same argument applies to Employer Funded Training. During a recession, a tension can emerge between employment policy – saving jobs for 16 and 17 year olds – and education and skills policy – ensuring all jobs which survive or created are linked to accredited training.

TABLE 1: Participation by 16 year olds in 2007

	FTE(1)	Apps	E2E	OET	Total
16	79.0	4.1	1.8	3.6	88.5%
	NEET		EFT	JWT	
16	5.4		2.3	3.9	11.6%

Note: (1) The FTE figure for 16 year olds of 79.0% excludes 0.3% on Apprenticeships/E2E delivered in full-time education.

Sources: Table 1, 3 and 4, SFR 13/2008, DCSF, 19 June 2008

TABLE 2: Participation by 16 year olds in 2007 by Learning Status, Economic Status and Employment Status

	Total	In Employment	ILO Unemployed	Inactive
FTE	79.0	25.0 F/T 0.4 P/T 24.6	6.7	47.3
16-18 Apps	4.1	4.1 F/T 2.2 P/T 1.9		
E2E	1.8	1.8 F/T N/A P/T 1.8		
OET	3.6	0.6 F/T 0.1 P/T 0.5	0.9	2.1
Total	88.5	31.5	7.6	49.4
EFT	2.3	2.3 F/T 1.9 P/T 0.4		
JWT	3.9	3.9 F/T 1.9 P/T 2.0		
NEET	5.4		2.6	2.8
Total	11.6	6.2	2.6	2.8

Note: Definition of full-time and part-time employment is based on self-declaration of young people responding to the Labour Force Survey.

Sources: Table 1, 3 and 4 SFR 13/2008, DCSF, 19 June 2008, and Parliamentary Answer, Hansard, House of Commons, 6 March 2008

TABLE 3: Participation by 17 year olds in 2007

	FTE(1)	Apps	E2E	OET	Total
17	66.5	6.6	1.0	4.3	78.4%
	NEET		EFT	JWT	
17	9.1		4.0	8.5	21.6%

Note: (1) The FTE figure for 17 year olds of 66.5% excludes 0.3% on Apprenticeships/E2E delivered in full-time education.

Sources: Table 1, 3 and 4 SFR 13/2008, DCSF, 19 June 2008

TABLE 4: Participation by 17 year olds in 2007 by Learning Status, Economic Status and Employment Status

	Total	In Employment	ILO Unemployed	Inactive
FTE	66.5	30.4 F/T 0.6 P/T 29.8	3.7	32.4
16-18 Apps	6.6	6.6 F/T 3.8 P/T 2.8		
E2E	1.0	1.0 F/T N/A P/T 1.0		
OET	4.3	1.5 F/T 0.3 P/T 1.2	0.9	1.9
Total	78.4	39.8	7.6	49.4
EFT	4.0	4.0 F/T 3.4 P/T 0.6		
JWT	8.5	8.5 F/T 5.1 P/T 3.2		
NEET	9.1		5.4	3.7
Total	21.6	12.5	5.4	3.7

Note: Definition of full-time and part-time employment is based on self-declaration of young people responding to the Labour Force Survey.

Sources: Table 1, 3 and 4 SFR 13/2008, DCSF, 19 June 2008, and Parliamentary Answer, Hansard, House of Commons, 6 March 2008

“A new category of Accredited Activity would capture different groups of young people participating 16 hours or more per week but not studying for recognised qualifications.”

3. New categories for the participation age

Categories under the RPA

3.1 The RPA will radically change the categories which count as participation compared with today. Table 5 presents a best guess at what these categories might be.

3.2 The full-time education category assumes that 16 and 17 year olds would be studying for recognised qualifications. 16–17 employer-based apprenticeships would be separate from 16–17 programme-led work-based learning.

3.3 A new category of Accredited Activity would capture different groups of young people participating 16 hours or more per week but not studying for recognised qualifications. The Accredited Activity would include accredited activities as defined by the government. This pamphlet assumes that E2E provision would fall under this category.

3.4 Employer Funded Training would become Jobs with Accredited Employer Training (JAET). Furthermore, JAET would be restricted to jobs of 20 hours or more since all young people in jobs of less than 20 hours must combine part-time work with full-time study (namely 16 hours or more).

TABLE 5: Potential categories under the RPA

Activity	In Employment FT 20 hours or more	P/T Less than 20 hours	ILO Unemployed	Economically Inactive
Full-time Education 16 hours or more per week studying recognised qualifications	Any category			
16–17 Employer-Based Apprenticeships studying recognised qualifications	Counted as in Employment			
16–17 Programme-Led Work-Based Learning studying recognised qualifications			Counted in either category	
Accredited Activity 16 hours or more per week – including E2E – not leading to recognised qualifications	Any category			
Jobs with Accredited Employer Training	20 hours or more			
Jobs with Statutory Release equivalent to 7 hours per week for 40 weeks studying recognised qualifications	20 hours or more			
Truancy	Any category			
Reasonable excuses	Any category			
Exemptions	16–17 year olds with Level 3 Qualifications			

“Whether such jobs have training linked to them is a secondary issue.”

3.5 A new category of Jobs with Statutory Release (JSR) would have to be created. Once again, however, the category would be restricted to jobs of 20 hours or more since young people in part-time jobs must study full-time under the RPA.

3.6 OET would be subsumed within the categories above. Those in jobs of less than 20 hours per week, or classified today as ILO unemployed and economically inactive, would have to study full-time and form part of the FTE category or the Accredited Activity category. By comparison, those in jobs of 20 hours or more would fall under the Jobs with Statutory Release category.

3.7 The JWT and NEET categories would presumably vanish. In their place would be **truants** defined as in employment, economically inactive or ILO unemployed. Those with reasonable excuses not to participate could also be in employment, economically inactive or ILO unemployed.

Youth unemployment and the RPA

3.8 Traditional measures to reduce 16–17 unemployment include wage subsidies, youth skills programmes, youth employment programmes and job search activity. However, these interventions would feature very differently in relation to the participation statistics today compared with the participation statistics under the RPA.

3.9 Wage subsidies are used to protect jobs. Today, they would protect JWT and EFT. Whether such jobs have training linked to them is a secondary issue. Under the RPA, however, wage subsidies would need to be targeted on jobs with 20 hours or more (since young people working for less than this number of hours must participate in full-time education) and conditional on employers either offering statutory release or accredited in-house training. Hence, wage subsidies would support the JSR and JAET categories.

3.10 Wage compensation can be paid to employers to cover the cost of lost production through time off for study. It has been tested as part of the Learning Agreement pilots which seek to assist employers to provide time off for training to 16 and 17 year olds in JWT, and considered as a potential intervention to encourage more small firms to offer employer-based apprenticeships. Under the RPA, however, wage compensation must be targeted on employer-based apprenticeships, JSR and JAET.

3.11 Youth skills programmes providing training leading to recognised qualifications would feature within 16–17 programme-led work-based learning. By contrast, youth employment programmes – where the emphasis is on work experience or job creation – would feature within the Accredited Activity category. In this sense, any new youth employment programme would be treated in the same way as this pamphlet suggests that the present E2E programme should be treated under the RPA, although the intention would be to facilitate progression into skills training (with or without a full-time job) as quickly as possible.

3.12 It is possible that **accredited job search** could count as an accredited activity under the RPA. As such, this group of 16–17 year olds would feature within the Accredited Activity category. However, ‘terms and conditions’ would have to apply. Firstly, the accredited activity would have to last at least 16 hours or more. Secondly, unemployed 16–17 year olds would have to search for JAET or JSR (where jobs are at least 20 hours per week) since securing a part-time job would mean they had to study full-time under the RPA. And thirdly, accredited job search could not be indefinite since if young people could not find JAET or JSR employment the expectation is that they progress to full-time education or unwaged work-based learning where possible.

4. The final 5% of 16 and 17 year olds

Compulsion and the final 5% of 16 and 17 year olds

4.1 In March 2007, the Government published projections of participation by 16 and 17 year olds between 2005/06 and 2013/14, and then to 2015/16 (see Table 6). Essentially, it is assuming that participation by 16–17 year olds can be increased from around 80% in 2005/06 to 94% by 2013/14 through **voluntary** interventions. To move significantly beyond 94%, the Government believes **compulsion** will be required.

4.2 Of course, participation will never reach 100% even excluding 16 and 17 year olds with a Level 3 qualification. The gap between non-participation and 100% participation in the context of the RPA is dependent upon two factors. The first is the level of truancy. The Labour Government has always accepted that some truancy will be inevitable but has assumed that the proportion would be small. The second is the definition of reasonable excuses. What constitutes a reasonable excuse was hotly debated in Parliament. If, however, a tight definition is used alongside a strong expectation that progression into education and training or accredited activity will be required as soon as possible, the assumption is that the proportion not

participating after the RPA is introduced will be low. **Broadly speaking, therefore, the Government has worked on the basis that compulsion would cover around 5% of 16 and 17 year olds.**

The final 10% of 17 year olds by 2015

4.3 More commonly discussed, however, than the final 5% of 16 and 17 year olds is the final 10% of 17 year olds. Discussion of the final 10% derives from the PSA target to increase participation in education and work-based learning to 90% of 17 year olds by 2015.

Hence, the Government has assumed that compulsion would cover around 10% of 17 year olds in 2015.

The final 5% and the final 10%

4.4 Both conceptualisations, however, can easily be reconciled. The final 5% refers to where non-participation should broadly be by 2013 when the participation age is initially increased to 17. Some non-participants will be aged 16 – and covered by the RPA – but most will be aged 17 – and not covered by the RPA. Meanwhile, the final 10% refers to where non-participation should broadly be by 2015 when the participation age is raised from 17 to 18. It assumes that non-participation by 16 year olds is zero – since 16 year olds will already be covered by the RPA at 17 – but non-participation by 17 year olds will be 10%.

TABLE 6: Projected 16–17 year old Participation in Education and Training (Snapshot percentages and volumes)

Provider	2005/06		2013/14		2015/16	
Schools	32%	427,000	37%	454,000	38%	458,000
FE and HE	37%	495,000	42%	526,000	46%	543,000
Part-time Education	5%	61,000	3%	43,000	4%	40,000
Work-Based Learning	7%	93,000	12%	145,000	12%	138,000
Total	81%	1,076,000	94%	1,168,000	100%	1,179,000

Source: Taken from *Raising Expectations: Staying on in education and training post-16*, DfES, March 2007

Twin-track strategy before the recession

“The first element was to introduce measures year-on-year to increase participation in education and training by 16 and 17 year olds to around 95% by 2013.”

5. Reaching 95% participation by 2013

The first element of the strategy

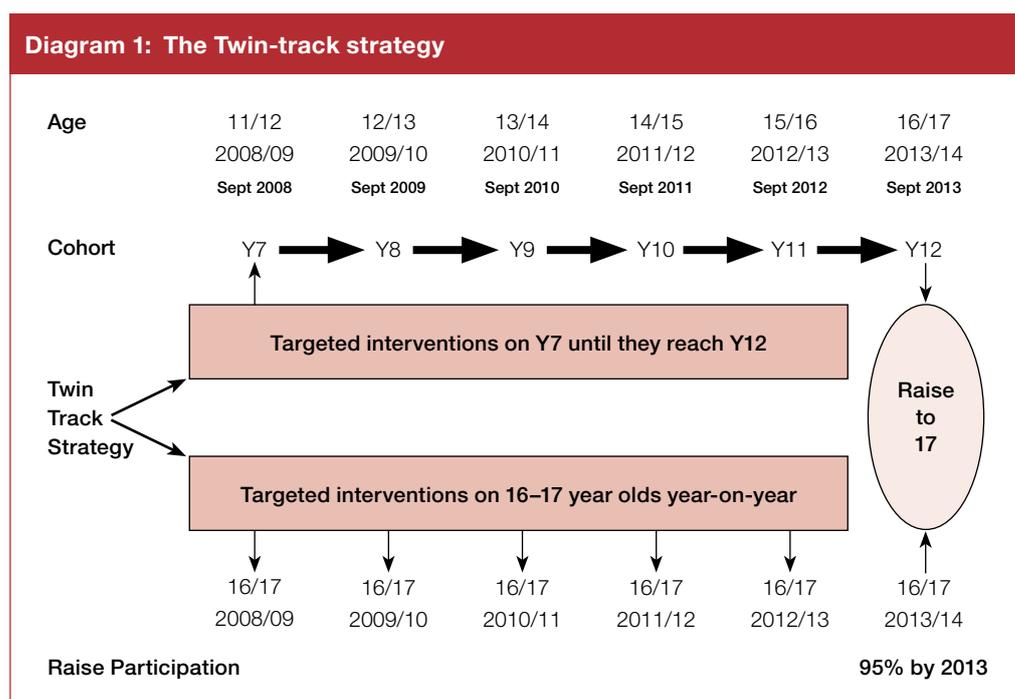
5.1 Before the emergence of the prospect of recession, and a prolonged one at that, the current Labour Government had developed a twin-track strategy with respect to raising the participation age. The first element was to introduce measures year-on-year to increase participation in education and training by 16 and 17 year olds to around 95% by 2013 (see Diagram 1 below).

5.2 The judgement was made that voluntarism would not increase participation from 95% to **close to 100%** of 16 and 17 year olds by 2013. Compulsion would be needed to achieve this goal. Indeed, the Labour Government judged that the participation age should only be raised to 17 in 2013, with a gap in 2014, and then raised to 18 in 2015. But the judgement that compulsion should only be introduced if participation reached 95% on a voluntary basis implied that the Labour Government was unwilling to risk the

possibility of more than 5% of 16 and 17 year olds not participating under the RPA. Clearly, too many young people might become truants and potentially face civil sanctions.

5.3 Interestingly, around 5% of 15 and 16 year olds in English secondary schools in 2006/07 received fixed period exclusions (see *Permanent and Fixed Period Exclusions from Schools in England*, SFR 14/2008, DCSF, 24 June 2008). Similarly, the proportion of persistent absentees in state secondary schools between 2007 and 2008 was 7% (see *Pupil Absence in Schools in England, Autumn Term and Spring Term 2008*, FSR 30/2008, DCSF, 21 October 2008).

5.4 Clearly, there is a difference between fixed-period exclusions and persistent absenteeism and debates rage over both. But there is an **arithmetical similarity** between rates of fixed-period exclusions and persistent absenteeism, and the concept of the final 5% of 16 and 17 year olds under the RPA. It is as though policy makers consider that the education system can cope with – or can turn a blind eye to – non-participation across different education policies of around 5% or so.



5.5 From the vantage point of 2007, however, the risks associated with non-participation under the RPA in 2013 would have been judged to have further diminished because of three important factors. Firstly, the cohort in 2013 (1.23m) would be lower than in 2007 (1.34m) and so 5% non-participation would be equivalent to around 61,500 young people rather than 67,000. Secondly, there would be five years to learn about the bespoke provision and support required to ensure the final 5% participated preferably in education and training or in accredited activity if needed. And thirdly, there would be five years to develop the systems required to monitor and assist truants, and develop re-engagement processes to forestall civil sanctions.

From the final 5% to the final 8% of 16 and 17 year olds by 2013

5.6 Nonetheless, a critical issue is whether participation is on track to reach the final 5% by 2013. Table 7 below shows that overall participation by 16 year olds between 2006 and 2007 increased by 1.5 percentage points to 88.4%. This was higher than the increase between 2005 and 2006 of 1.2 percentage points. If this higher rate of increase continues over the six years from 2008 to 2013,

participation will rise to around 97.4% in 2013. **Hence, the RPA in 2013 would need to cover about 3% of 16 year olds.**

5.7 Although the overall numbers might be small (18,000), policy makers should remember that this group could still be difficult to encourage to participate under the RPA rather than become truants. Young people not in education and training at 16 do not tend to return to education and training at 17. **Once out, they stay out.** It should not be presumed, therefore, that compulsion between 2013 and 2014 will lead to 100% participation by 16 year olds in 2015. They need to be caught early, preferably at the start of the academic year, namely September 2013.

5.8 Table 8 shows that participation by 17 year olds between 2006 and 2007 increased by 1.6 percentage points to 78.4%. This was higher than the increase between 2005 and 2006 of 1.1 percentage points. If this higher rate of increase continues between 2008 to 2013 participation will rise to 88.0%.

5.9 Projecting forward the rate of increase in participation by 16 and 17 year olds in 2007 between 2008 and 2013 suggests that 8% of 16 and 17 year olds might not be participating.

TABLE 7: Participation by 16 year olds					
	2005	2006	2007 Provisional	2006/07	2005/07
Aged 16					
FTE	75.5	77.6	78.9	+1.3	+3.4
WBL	6.3	5.7	5.9	+0.2	-0.4
E2E	1.7	1.6	1.8	+0.2	+0.1
A	3.8	3.4	3.4	0.0	-0.4
AA	0.8	0.7	0.7	0.0	-0.1
OET	3.9	3.6	3.6	0.0	-0.3
Total	85.7	86.9	88.4	1.5	2.7
EFT	2.7	2.2	2.3	+0.1	-0.4
JWT	3.9	4.0	3.9	-0.1	0.0
NEET (1)	7.7	6.7	5.4	-1.3	-2.3
Inactive		2.7	2.6	-0.1	
ILO		3.9	2.8	-1.1	

Note: (1) Inactive refers to economically inactive, and ILO refers to ILO unemployed.

Source: SFR 13/2008, DCSF, 19 June 2008

TABLE 8: Participation by 17 year olds

	2005	2006	2007 Provisional	2006/07	2005/07
Aged 17					
FTE	62.6	64.8	66.5	+1.7	+3.9
WBL	8.2	7.6	7.6	+0.0	-0.6
E2E	1.0	0.9	1.0	+0.1	+0.1
A	5.6	5.3	5.2	-0.1	-0.4
AA	1.6	1.4	1.4	0.0	-0.2
OET	4.9	4.4	4.3	-0.1	-0.6
Total	75.7	76.8	78.4	1.6	2.7
EFT	4.3	4.1	4.0	-0.1	-0.3
JWT	9.6	9.3	8.5	-0.8	-1.1
NEET (1)	10.4	9.8	9.1	-0.7	-1.3
Inactive		4.0	3.7	-0.3	
ILO		5.8	5.4	-0.4	

Note: (1) Inactive refers to economically inactive, and ILO refers to ILO unemployed.

Source: SFR 13/2008, DCSF, 19 June 2008

Furthermore, the final 8% is likely to be composed of more 17 year olds than 16 year olds since 3% of 16 year olds and 12% of 17 year olds might not be participating by 2013 (see Table 9 below).

5.10 Indeed, the reason that the average has risen from 5% to 8% is not because of slower progress in increasing participation at 16 but slower progress in increasing participation at 17. This has critical implications for the implementation of the RPA. On the one hand, it shows how right the Labour Government has been to signal implementation in two stages, increasing the participation age to 17 in 2013 and to 18 in 2015. On the other hand, it reinforces the challenge of compulsion increasing participation between 17 and 18 rather than resulting in truancy.

The fall in participation at 17

5.11 Understanding the processes which lead to the fall in participation at 17 is crucial. Clues can be found if the participation data for 16 year olds in 2006 is compared with the participation data for 17 year olds in 2007 since they are the same cohort of young people. Table 10 shows that participation fell by **8.5 percentage** points. It also shows that participation in full-time education by 16 year olds in 2006 who were 17 year olds in 2007 fell by 11.1 percentage points. Some of the fall in FTE was taken up by WBL (+1.9) and OET (+0.7) but most of the fall results in an expansion of JWT, EFT and ILO NEET. Table 7 (above) shows that participation in FTE by 16 year olds in 2005 was 75.5%. Table 8 (above) shows that participation in FTE by 17 year olds in 2006 was 64.8%. This represents a

TABLE 9: Projected 16–17 year olds not in Education or Training by 2013

16 as a proportion of 16 year olds	3% 18,000	16 as a proportion of 16 and 17 year olds	1.5%
17 as a proportion of 17 year olds	12% 74,000	17 as a proportion of 16 and 17 year olds	6%

Note: Cohort of 16 year olds and 17 year olds in 2013 estimated to be 616,000 and 618,000 respectively.

Source: Extrapolations by author.

TABLE 10: Participation by 16 year olds in 2006 and 17 year olds in 2007

	16 in 2006	17 in 2007 Provisional	Difference
Age			
FTE	77.6	66.5	-11.1
WBL	5.7	7.6	+1.9
E2E	1.6	1.0	-0.6
A	3.4	5.2	+1.8
AA	0.7	1.4	+0.7
OET	3.6	4.3	+0.7
Total	86.9	78.4	-8.5
EFT	2.2	4.0	+1.8
JWT	4.0	8.5	+4.5
NEET (1)	6.7	9.1	+2.4
Inactive	2.7	3.7	+1.0
ILO	3.9	5.4	+1.5

Note: (1) Inactive refers to economically inactive, and ILO refers to ILO unemployed.

Source: SFR 13/2008, DCSF, 19 June 2008

drop of 10.7 percentage points. Hence, the fall in participation in full-time education between 2006 and 2007 relative to 2005 and 2006 widened rather than narrowed. If this trend continues, more than 10% of 17 year olds might not be participating in education and training by September 2015.

5.12 Part of the fall in participation in full-time education between 16 and 17 is accounted for by a rise in the number of 16 year olds entering Apprenticeships and Advanced Apprenticeships at 17. Yet, the overall proportion of 16 year olds entering Apprenticeships and Advanced Apprenticeships was static between 2005 and 2007.

5.13 On current rates of increase in participation, 80% of 16 and 17 year olds projected not to be in education and training by 2013 will be aged 17 (see Table 9 above). Furthermore, a significant proportion of these will be 17 year olds who had previously been in full-time education at 16. Moving towards a compulsory system of participation must take into account that this group of 17 year olds might not want another spell of full-time education.

5.14 Achievement of five good GCSEs at Level 2 is an excellent predictor of staying-on at 16. By contrast, achievement of a vocational qualification at Level 2 at 16 goes some way to explain the fall in participation at 17.

5.15 Data from the Youth Cohort Survey shows that in 2004, 49% of 16 year olds had achieved five good GCSEs and stayed on in full-time education (see Table 11). The vast majority progress into Level 3 programmes, especially A levels. Meanwhile, 24% of 16 year olds did not achieve five good GCSEs and stayed on in full-time education compared to 7% entering work-based learning (see Table 11). One year on, when this cohort became 17, 33% had left full-time education and had found a job (16%), entered WBL (7%) or were classified as Other (10%). Unfortunately, the Youth Cohort Survey does not say whether those leaving full-time education at 17 have achieved a Level 2 qualification. Similarly, matched administrative data is restricted to showing how Level 2 attainment increases in general rather than between full-time education and work-based learning. Nonetheless, this data confirms an increase in Level 2 or higher qualifications of nine percentage points from age 16 to age 17.

TABLE 11: Activities and experiences of 17 year olds – England and Wales (2005)

Changes in activity of 16 and 17 year olds by Year 11 Qualification					
(a) Those achieving five or more GCSE grades A*–C in Year 11					
		Main Activity at 17 (2005)			
	Weighted Sample	FT Education	Government Supported Training	Job	Other
Percentage of the group defined in each row		%	%	%	%
ALL	5299	87	4	7	2
Main Activity at 16 (2004)					
FT	4788	93	1	4	1
Government Supported Training	171	5	70	24	*
Job	236	33	9	48	10
Other	103	48	9	23	20
(b) Those achieving fewer than five or more GCSE grades A*–C in Year 11					
ALL	4521	42	16	26	16
Main Activity at 16 (2004)					
FT	2389	67	7	16	10
Government Supported Training	693	8	60	20	12
Job	780	13	10	58	19
Other	660	19	10	29	42

Source: Table F. Youth Cohort Study: Activities and Experiences of 17 year olds (England and Wales 2005). SFR 48/2005, DfES, 2005

Those aged 19 in 2007 were 16 in 2004. 53.0% of 16 year olds in 2004 had at least a Level 2. When this cohort became 17 in 2005, 61.9% had achieved a Level 2 (see Table 12).

5.16 Given, however, that more than three times as many 16 year olds without a Level 2 enter full-time education rather than work-based learning, it is clear that full-time education is the main generator of Level 2 achievement between ages 16 and 17. **But the inference is that 16 year olds achieving a Level 2 in full-time education**

by age 17 leave full-time education to find a job, especially Jobs without Training.

This inference from the destination statistics (see Table 10 above) is backed up by further evidence from the 2005 YCS. It shows that the proportion of 17 year olds with a Level 2 in a full-time job was 37% compared to 25% for 16 year olds (see Table 13).

5.17 Yet, this is not the entire explanation of why 16 year olds without a Level 2 who stay on in full-time education and gain a Level 2 by age 17 then decide to drop out in favour

TABLE 12: Proportion of young people qualified to Level 2 or higher by age and cohort in England

Young People Aged	Age						Population
	16	17	18	19	20	21	
19 in 2004	49.2%	56.1%	62.1%	66.4%	69.2%	71.2%	614,560
19 in 2005	50.3%	58.5%	64.9%	69.3%	72.0%	73.8%	618,400
19 in 2006	52.2%	60.1%	67.1%	71.4%	73.9%	–	631,890
19 in 2007	53.0%	61.9%	69.7%	73.9%	–	–	652,180
19 in 2008	55.5%	64.9%	73.2%	–	–	–	645,400
19 in 2009	57.2%	66.9%	–	–	–	–	656,210
19 in 2010	58.6%	–	–	–	–	–	662,470

Source: SFR 04/2008, DCSF, 26 February 2008.

TABLE 13: Activities and Experiences of 17 year olds – England and Wales (2005)

17 year olds in 2005: Highest qualification level achieved by characteristics			
	Highest qualification level (2006)		
	Weighted Sample	Level 2+	Below Level 2
Percentage of the group defined at each row	–	%	%
Activity at Sweep 1 (age 16)			
Full-time education	7177	77	23
Government Supported Training	864	35	65
Full-time Job	683	26	74
Part-time Job	333	36	64
Out of work	508	16	84
Other	255	24	76
Activity at Sweep 2 (age 17)			
Full-time education	6492	80	20
Government Supported Training	934	37	63
Full-time Job	1121	37	63
Part-time Job	415	30	70
Out of work	555	22	78
Other	303	24	76
Highest qualification attained by 18			
Level 2+	5414	100	0
Below Level 2	4406	19	81

Source: Youth Cohort Study: Activities and Experiences of 17 year olds (England and Wales 2005). SFR 48/2005, DfES, 2005

of getting jobs with or without training. The missing part of the story is the type of Level 2 qualification achieved. Very few 16 year olds take GCSE re-sits. Instead, they enrol on vocational qualifications to achieve a Level 2. **Once they achieve a vocational Level 2, they decide this is sufficient to get a full-time or part-time job – with or without training – or they become unemployed and look for a job (i.e. ILO NEET) until they find one.**

5.18 Table 9 above indicated that based on projections before the recession, non-participation in education and training by 16 and 17 year olds in 2013 would be 3% and 12% respectively. Since over nine tenths of 16 year olds with five good GCSEs stay-on in full-time education and work-based training, it is safe to assume that that nearly all of the 3% of 16 year olds not participating in education and training by 2013 would not have achieved a Level 2 qualification. But the same cannot be said of the 12% of 17 year olds. **Probably a third of 17 year olds might have a Level 2.**

From the final 5% to the final 4% of 16 and 17 year olds by 2015

5.19 Assuming an increase in participation of 1.5 percentage points by 16 year olds in both 2014 and 2015, participation could rise from 97% to almost 100% by 2015. Furthermore, a rate of increase of 1.6 percentage points in both 2014 and 2015 by 17 year olds would achieve a participation rate of 91%. Given these simple extrapolations, the final group of 16 and 17 year olds by 2015 would fall from 5% to 4% with nearly every non-participant aged 17 (see Table 14).

The final 9% of 17 year olds by 2015

5.20 An average rate of increase in participation of 1.6 percentage points between 2005 and 2015 would increase participation at 17 to 91%. Consequently, the PSA target of 90% of 17 year olds would be met with only a final 9% to be catered for (see Table 14). Even so, moving the participation age from 17 to 18 will be the most challenging aspect of the entire project.

TABLE 14: Projected 16 and 17 year olds not in Education or Training by 2015

16 as a proportion of 16 year olds	0%	16 as a proportion of 16 and 17 year olds	0%
17 as a proportion of 17 year olds	9% 55,000	17 as a proportion of 16 and 17 year olds	4.5%

Note: Cohort of 16 year olds and 17 year olds in 2013 estimated to be 591,000 and 607,000 respectively.
Source: Extrapolations by author.

“The second and often forgotten element of the twin-track strategy is to change the attitudes of today's Year 7 towards staying on in education and training until the end of Year 12.”

6. Changing the attitudes of today's Year 7

The second element of the strategy

6.1 The second and often forgotten element of the twin-track strategy is to change the **attitudes** of today's Year 7 towards staying on in education and training until the end of Year 12. This is because they will be the first cohort who must stay on in education and training when the participation age is raised to 17 in September 2013 (see Diagram 1, page 23).

6.2 The process of changing the attitudes of today's Year 7, their parents, their current and future providers, and their future employers towards staying on is based on interventions timed for when they enter Year 8, Year 9 and so on until they enter Year 12. A senior policy adviser to the former Department for Education and Skills characterised the policy as a **national plan** for today's Year 7 and each subsequent year until Year 12 (see Box 2).

6.3 To this extent, the RPA is a **cohort policy** providing a timeline for targeted interventions to create **cultural change** towards staying on in education and training until 17 by today's Year 7. From the perspective of **16–18 education and training policy**, the key date is 2013/14 when today's Year 7 enter Year 12 aged 16/17. Ideally, the achievement of 95% participation will coincide with today's Year 7 who will have reached Year 12 but with higher achievement, better attendance records, less bad behaviour and greater motivation. From the perspective of **14–19 policy**, the key date is 2011 when today's Year 7 enter Year 10. This is when their 14–19 journey begins. Policies need to be in place in 2011 to start the process of achieving better results, better attendance, less bad behaviour and greater motivation by age 17 in 2013.

BOX 2: Today's Year 7 progressing until Year 12

From the start of the new policy in 2007/08, we had to look at its implementation cohort-by-cohort. We had to make sure they arrived at age 16 with better results, a better attendance record, less bad behaviour and more motivation. Quite literally, we had a tailored national plan for each age cohort.

**Michael Barber, former Adviser to the Department for Education and Skills,
The Times Educational Supplement, 14 April 2007**

Political uncertainty before the recession

“It will be for a future government to decide whether to introduce the legislation or not...”

7. The general election and political positions

The policy cycle, the political cycle

7.1 The 2008 Education and Skills Act grants powers to a future government to raise the statutory participation age to 18 and place a duty on employers to offer statutory release to the same age. It will be for a **future government** to decide whether to introduce the legislation or not, the actual timing of introducing the legislation if a decision is taken to do so, and whether a two-step process to 17 and then to 18 should be followed. Assuming that the RPA to either 17 or 18 is not implemented before the next general election, confirmation of a decision to implement would need to be taken by the next government by September 2012 and September 2014 at the latest so that the **education and skills system** could prepare for such a big bang (Diagram 2).

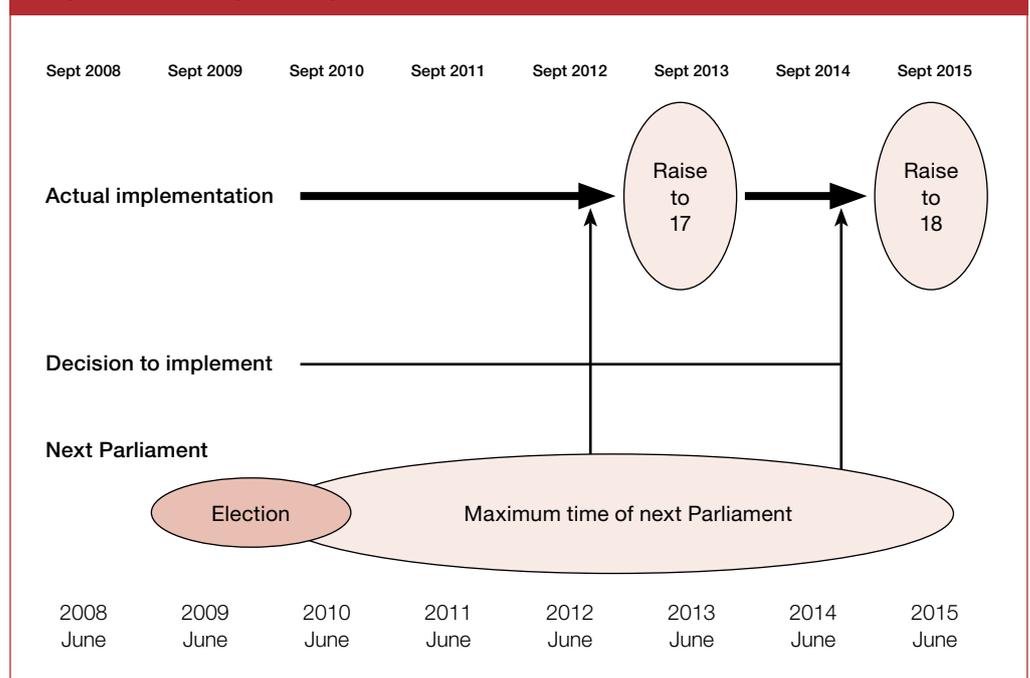
7.2 A general election could be held at any time between 2009 and 3 June, 2010. Since

1979, every Parliament has lasted between four and five years. Clearly, there is no guarantee that a future government, Labour, Conservative or a coalition involving the Liberal Democrats will necessarily govern for at least four years. But a four-year Parliament from 2009 onwards creates the conditions necessary for a future government to make a decision – one way or the other – by September 2012 to raise the participation age to 17 in September 2013.

A 17 or 18 based RPA?

7.3 It is conceivable, of course, that the next government might consider limiting the participation age to 17 rather than 18. But this has never been the policy intention and would certainly be a sledgehammer to crack a nut. Although policy makers should not underestimate the difficulties associated with encouraging the **final 3% of 16 year olds** to participate if the participation age is increased to 17 in 2013, the critical aim of the RPA is to assist the potential 9% of 17 year olds who might not be participating in 2015.

Diagram 2: Timing of the general election and policy decisions



“ It is safe to say a fourth Labour Government would proceed in line with the 2008 Education and Skills Act. ”

Options for the RPA to 18 in 2015

7.4 A future government will need to decide whether or not to implement as a package the raising of the participation age **and** the statutory duty on employers to offer day release. Equally, a future government could decide to raise the statutory participation age but withdraw the legal sanctions on young people as set out in the 2008 Act. By contrast, a future government might conclude that raising the statutory participation age is the wrong approach to increase participation in education and training by age 18, but judge that a statutory duty on employers to offer day release is a necessary intervention (see Box 3).

Decision by a future government on the RPA to 18 in 2015

7.5 It is safe to say a fourth Labour Government would proceed in line with the 2008 Education and Skills Act. A future Conservative administration, however, might decide to raise the statutory participation age but withdraw the civil sanctions applying to young people and decide against introducing a statutory right to day release. Meanwhile, the Liberal Democrats appear to oppose the raising of the participation age and a statutory duty on employers to offer day release (see Equity and Excellence: Policies for 5–19 education in England’s schools and colleges. February 2009). These positions would ‘enter the mix’ if a **hung parliament** was the outcome of the next general election.

BOX 3: Options for raising the participation age and statutory release

- Option 1:** Neither introduce the statutory participation age nor the statutory duty on employers to offer day release
- Option 2:** Raise the statutory participation age and statutory duty on employers in line with the 2008 Education and Skills Act
- Option 3:** Raise the statutory participation age but amend the 2008 Education and Skills Act by withdrawing legal sanctions on young people to participate
- Option 4:** Introduce the statutory duty on employers to offer day/block release to young workers but not raise the statutory participation age

“Sanctions – or more precisely the threat of sanctions – are part of the cohort policy of the participation age.”

8. A more sophisticated understanding of sanctions

Sanctions on young people

8.1 The issue of sanctions applying to young people under the raising of the participation age dominated the debate on the 2008 Education and Skills Bill inside and outside of Parliament. Critics suggested that underpinning the participation age with sanctions would not only result in an army of truants but also an army of criminals. Nothing could be further from the truth.

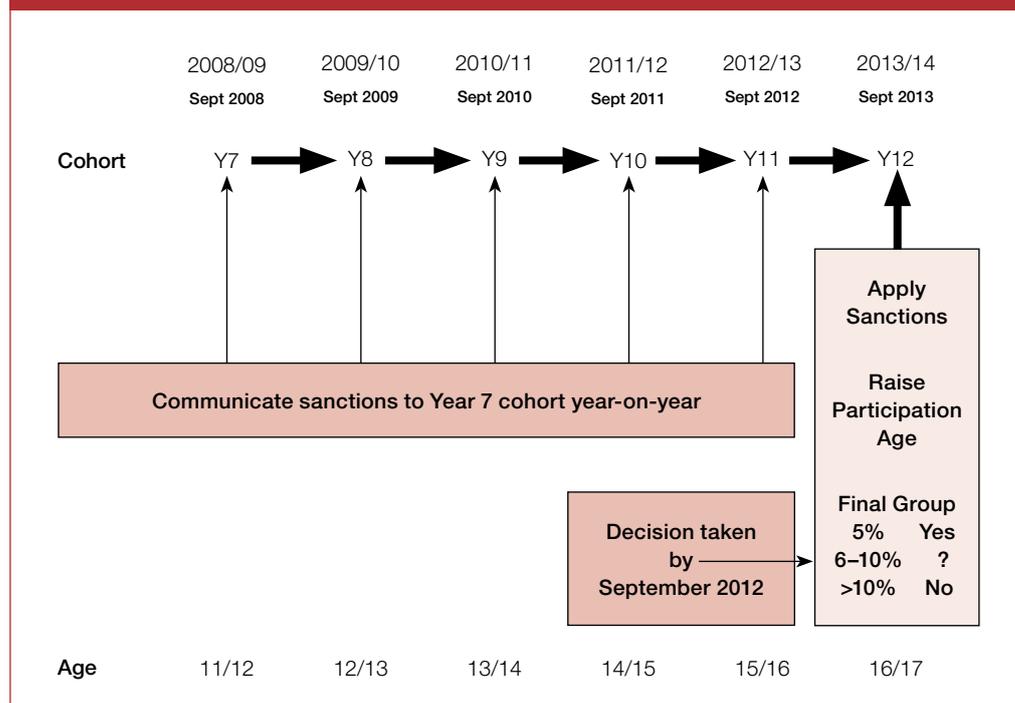
8.2 Some of the **sting** was taken out of the sanctions issue when parliamentarians appreciated that the participation age was restricted to the 18th birthday to avoid involvement in the adult justice system. The Labour Government also confirmed that truants under the participation age would face civil proceedings rather than criminal proceedings, with the stick taking the form of fines instead of incarceration. Further softening of the sanctions issue emerged when parliamentarians appreciated that there would be a long re-engagement process of truants before civil action would be taken by local

authorities. In addition, if fines were applied they would be annulled once a young person reached 18.

8.3 And yet, with all of these caveats, critics of sanctions fail to appreciate their role in the policy of raising the participation age. **Sanctions – or more precisely the threat of sanctions – are part of the cohort policy of the participation age** (see Diagram 3). For today's Year 7 – and in every year thereafter until they reach Year 11 – the education and skills system will communicate to these pupils that they must stay on in education and training until the end of Year 12. It is **constant communication** of the threat of sanctions to this cohort which is the key to the participation age. Only if the constant communication of the threat of sanctions, alongside other interventions, results in no more than 5% of 16 and 17 year olds not participating in education and training – some 61,000 – would the **government of the day** have the confidence to embark on raising the participation age to 17 in 2013 and then to 18 in 2015.

8.4 If, however, it is projected that, say, 8% of 16 and 17 year olds will not participate –

Diagram 3: Changing the attitudes of today's Year 7



nearly 100,000 young people – by 2013, the government of the day might well delay its introduction but still signal that it would introduce the policy sometime in the near future. This is what happened with the raising of the school-leaving age in 1972. By contrast, if 10% or more 16 and 17 year olds were on track not to participate in education and training – in excess of 123,000 young people – in 2013, the government of the day might well decide to delay its introduction possibly for some considerable time for fear of creating an army of truants and criminals.

8.5 The decision over the RPA will need to be taken by September 2012 at the latest so that the education and skills system can respond. At the same time, a **future government positively disposed** to the RPA (underpinned by civil sanctions) but fearing between 5 and 10% non-participation would presumably seek to develop further interventions targeted on 16 and 17 year olds well before September 2012 to raise participation on a voluntary basis.

Sanctions on employers

8.6 A parallel charge during the passage of the 2008 Education and Skills Bill through Parliament was that sanctions on employers to ensure they offer statutory release to young workers aged 16–17 would lead to a collapse in the youth labour market. Once again, nothing could be further from the truth.

8.7 Critics of the RPA fail to appreciate that the main activity of 16 and 17 year olds could be employment only if jobs are 20 hours or more. Employers negatively disposed to offering statutory day release to 16 and 17 year olds in jobs of 20 hours or more because of the burdens on their business but still wishing to offer jobs could get round the problem by linking them to apprenticeships or accredited in-house training. Equally, employers could **opt-out** from day release by turning full-time jobs – 20 hours or more per week – into part-time jobs – less than 20 hours per week – where the duty would fall on 16 and 17 year olds to combine part-time employment with full-time education (16 hours or more per week). **Rather than result in the collapse of the 16–17 youth labour market, the statutory right to day release is more likely to increase the proportion of young people**

in part-time jobs, thus continuing a trend which has existed for some time.

8.8 Indeed, it is a mistake to conclude that Jobs without Training and Employer Funded Training are all full-time jobs. Table 2 (see above) shows that 50% of 16 year olds in Jobs without Training and 17% of 16 year olds in Employer Funded Training are in part-time employment. Meanwhile, Table 4 (see above) shows that 40% of 17 year olds in JWT and 15% of 17 year olds in EFT are in part-time employment. If these part-time jobs are less than 20 hours per week, under the RPA they would have to combine part-time work with full-time study. In addition, employers could transform the remaining full-time JWT and EFT into part-time jobs to escape the clutches of statutory day release.

8.9 Critics are mistaken in believing that statutory release would lead to large-scale job losses for another reason. Only if non-participation reached around 5% of 16 and 17 year olds by 2013 would the government of the day definitely implement compulsion. Consequently, although a significant proportion of the final 5% by 2013 might be in the JWT category, the fact that the size of the final group not participating is quite small means that the number of jobs at risk by employers simply stopping to offer full-time jobs will also be small. Moreover, since the overall cohort of 16 and 17 year olds is expected to drop from 1.34m in 2007 to 1.23m in 2013, the absolute number of JWT within the final 5% will be smaller still. This argument still holds with respect to increasing the right to statutory release from 17 to 18 in 2015. The cohort of the final 10% of 17 year olds (618,000) would be lower than in 2013 (607,000). But although the proportion of 17 year olds in JWT as a share of the final 10% not participating by 2015 might be quite high, employers would have had all of 2014 to transform more full-time jobs without training into part-time jobs before statutory release is raised to 18 in 2015.

8.10 For employers offering jobs to 16 and 17 year olds whose main activity is employment, there are good reasons to believe that the number of job losses will be minimal. A quite separate argument, however,

“From the perspective of the RPA, the Government will want 14–19 to be seen as a separate phase in education and training for Year 10 in 2011.”

is that the youth labour market would collapse from the burdens on business flowing from the duty placed upon employers to inform Connexions that they are employing a young person on a part-time basis – with the implication that the young person has an obligation to study full-time – or are employing a young person on full-time basis – where the employer is assuming another is offering them day release. Once again, employers can by pass this problem by only offering part-time jobs.

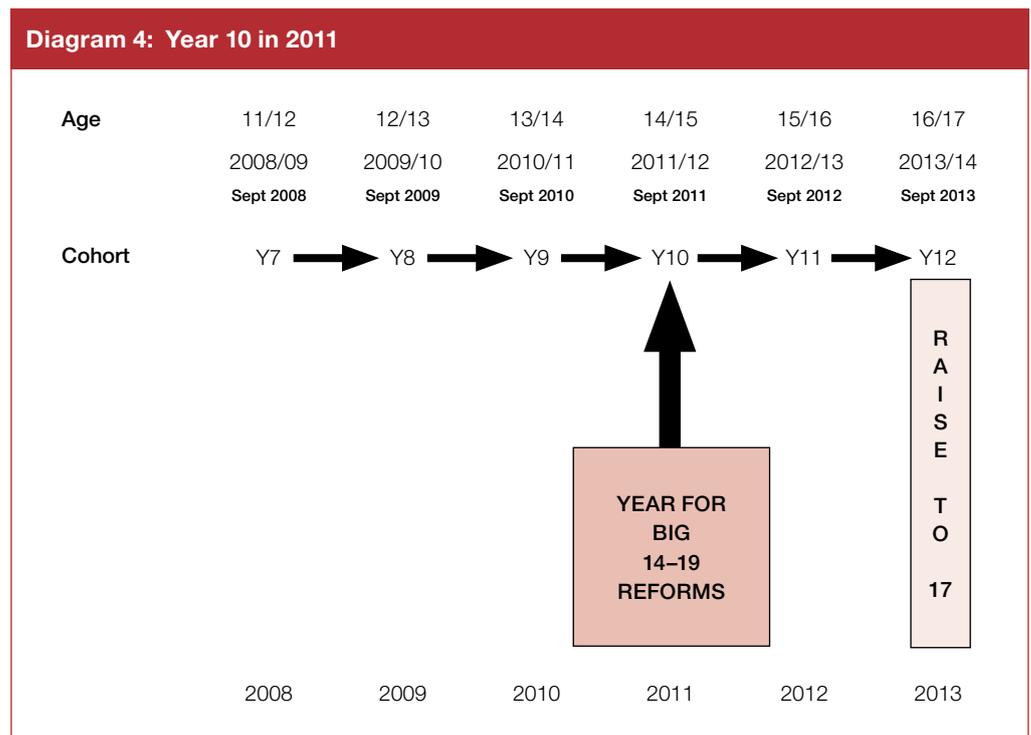
entering the 14–19 phase of education who must stay on in education and training until age 17. From the perspective of the RPA, the Government will want 14–19 to be seen as a separate phase in education and training for Year 10 in 2011. In turn, the Government will want big policies which can make 14–19 a truly separate phase of education and training in place for Year 10 in 2011. Potential **big policies** include a single national 14–19 funding system and a credit-based 14–19 qualifications and curriculum framework. A more speculative idea is that full-time study in FE colleges should be possible for 14 year olds from 2011.

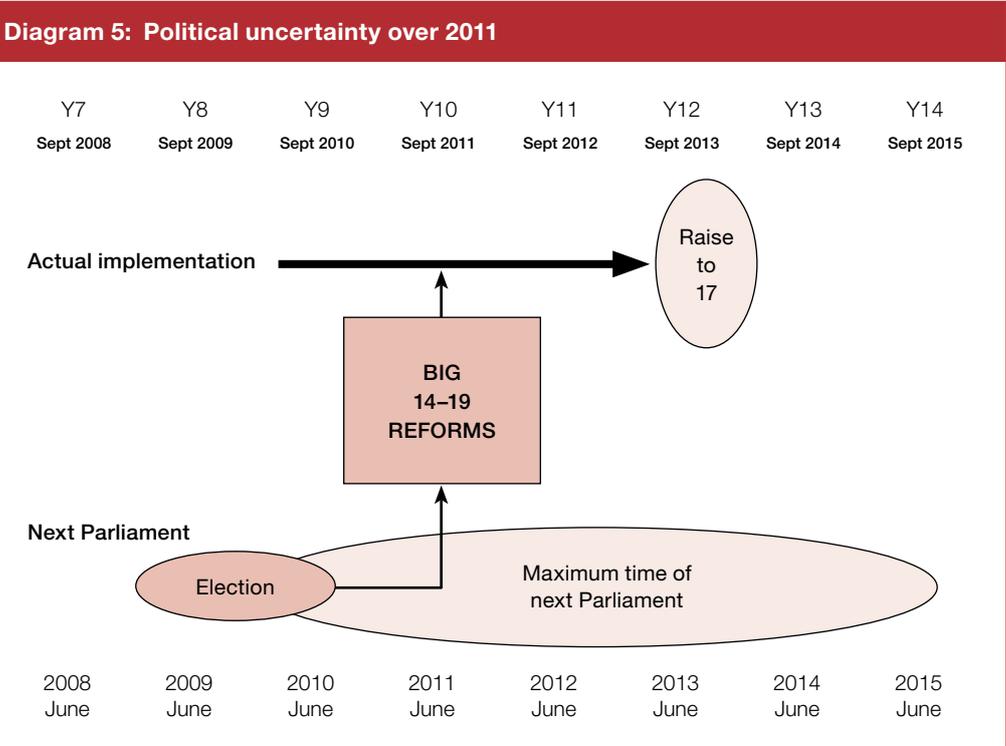
9. The 14–19 Phase and the RPA

Year 10 and the 14–19 Phase

9.1 The Labour Government is developing a three-phase approach to 0–19 education, namely a 0–7 phase, an 8–13 phase and a 14–19 phase (see *The Children’s Plan One Year On – Progress Report*, December 2008). The creation of a distinct 14–19 phase is intimately linked to the RPA. It is today’s Year 7 who will be Year 10 in 2011 and who will begin their 14–19 journey at the same time (see Diagram 4). **They are the first cohort**

9.2 By definition, however, big policies for 14–19 are only required if there is a political commitment to a 14–19 phase of education and training. The extent to which a political consensus will emerge over the 14–19 phase will be dictated by the political cycle (see Diagram 5). By June 2010 at the latest, the main opposition parties will need to explain whether they support the 14–19 phase or not. A hung parliament adds to the uncertainty. If support for the 14–19 phase is not forthcoming, all bets will be off for 14–19 reforms linked to Year 10 in 2011.





“Although modest in 2007, 16–17 youth unemployment can be expected to rise sharply by 2013.”

11. Falling participation, rising youth unemployment

16–17 year olds whose main activity is youth unemployment

11.1 In relation to the RPA, it is youth unemployment amongst 16 and 17 year olds that counts rather than 16–18 year olds, 16–19 year olds or 16–24 year olds. Furthermore, it is the proportion of 16 and 17 year olds whose **main activity** has been to look for work in the past four weeks – the so-called ILO definition of unemployment – which matters most. Table 2 and Table 4 above show that in 2007 2.6% of 16 year olds and 5.4% of 17 year olds were not in employment, education or training but had looked for work in the past 4 weeks (the so-called ILO NEET category). This is equivalent to around 53,000. Although modest in 2007, 16–17 youth unemployment can be expected to rise sharply by 2013.

Categories which increase participation without reducing youth unemployment

11.2 There are four categories which can lead to an increase in participation in education and training without reducing youth unemployment prior to the introduction of the RPA. They are full-time education, apprenticeships, E2E and OET (see Table 15 below). A potential fifth category would be Accredited EFT. At present, EFT does not count towards participation in education and training in the official statistics because so much is of poor quality. If, however, employers decide to link their own training to the new unit-based QCF (qualifications and credit framework), such provision will count towards participation. At some stage, the participation statistics will need to differentiate between Accredited EFT and Non-Accredited EFT even before the categories are changed if the RPA is implemented.

Categories which can increase youth unemployment

11.3 Table 15 also indicates how falls in certain categories can increase youth unemployment (i.e. ILO NEET) assuming no offsetting increases in full-time education, E2E and non-employed OET. Redundancies linked to apprenticeships, employed OET, Employer Funded Training and Jobs without Training will cause youth unemployment to

rise. Potentially, 11% of 16 year olds (73,000) and 20% of 17 year olds (135,000) fall in these categories and are, therefore, directly at risk from the recession.

Categories which reduce participation and increase youth unemployment

11.4 Furthermore, jobs losses in three categories will result in a **double whammy** of rising youth unemployment and falling participation. These categories are apprenticeships, employed OET and Accredited EFT. Together, 4.7% of 16 year olds and 8.1% of 17 year olds are at risk, the bulk of which are 16–17 apprenticeships (4.1% and 6.6% respectively).

Impact of recession on reducing participation in full-time education

11.5 In the context of higher education, the recession is causing concern over the job prospects of full-time undergraduates leaving university this year. But the National Union of Students has pointed out that the recession is putting at risk the part-time jobs which many existing full-time undergraduates have to take to supplement maintenance support paid by the government (see ‘Panic on the campus as graduate jobs disappear’, *Independent*, 14 January 2009). Financial hardship caused by the loss of part-time jobs could cause drop-out from full-time undergraduate courses or even deter participation altogether.

11.6 And yet, lobbyists and commentators have not raised the issue of the impact of the recession reducing staying on rates in full-time further education. Table 2 and Table 4 above show that a third of 16 year olds in full-time education work part-time and nearly 45% of 17 year olds do so. Job losses here could result in financial hardship despite support in the form of Child Benefit, Child Tax Credit and Education Maintenance Allowances. Particular problems could be faced in circumstances where both students and their parents lose their jobs. As a consequence, the recession could cause a reduction in participation in full-time education, especially by 17 year olds where participation falls significantly compared to 16 year olds.

TABLE 15: Rising participation and rising 16–17 youth unemployment

Year	2007	2007
Age	16	17
Cohort	669,000	673,000
Rises in categories which increase participation in education and training		
Full-time Education	79.0	66.5
Apprenticeships	4.1	6.6
E2E	1.8	1.0
Other Education and Training	3.6	4.3
Accredited Employer Funded Training	0.0	0.0
Total	88.5	78.4
Falls in categories which can increase youth unemployment		
Apprenticeships	4.1	6.6
Employed Other Education and Training	0.6	1.5
Accredited/Non Accredited Employer Funded Training	2.3	4.0
Jobs without Training	3.9	8.5
Total	10.9	20.6
Falls in categories which can increase youth unemployment and reduce participation in education and training		
Apprenticeships	4.1	6.6
Employed Other Education and Training	0.6	1.5
Accredited Employer Funded Training	0.0	0.0
Total	4.7	8.1
ILO NEET	2.6	5.4

Source: SFR 13/2008, DCSF, 19 June 2008.

“The effect of the recession on the decision over whether to implement the RPA to 17 in 2013 is hard to predict.”

12. The impact of recession on decision year 2013

Increased uncertainty over 2013

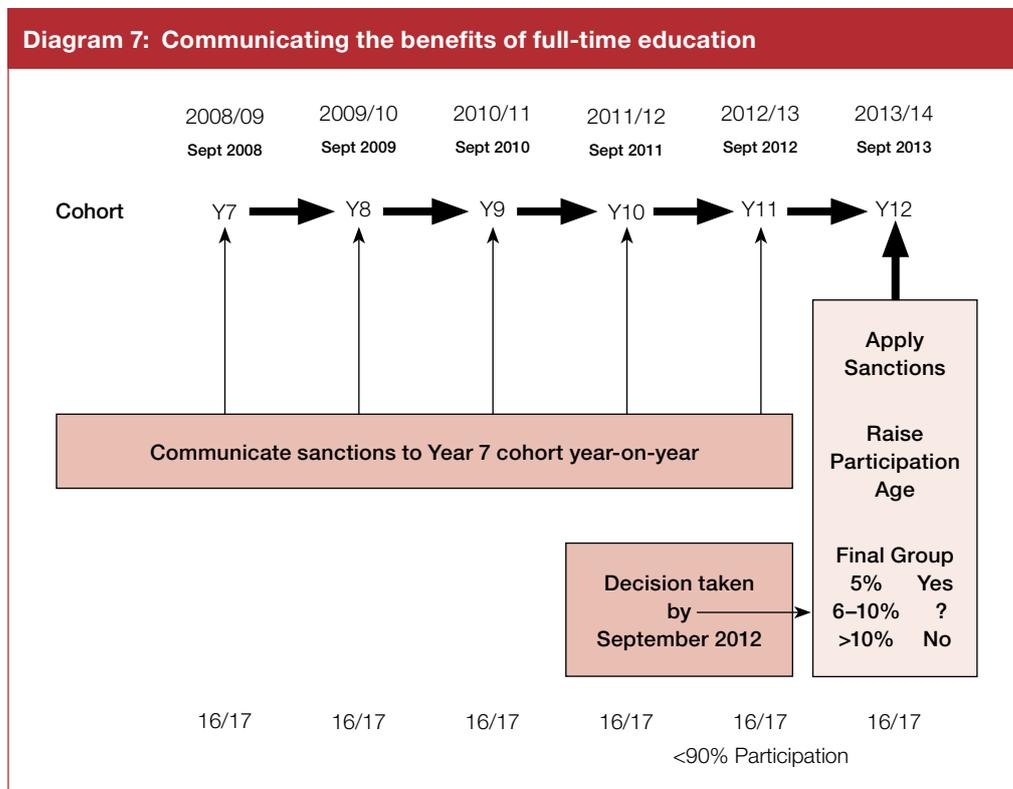
12.1 The effect of the recession on the decision over whether to implement the RPA to 17 in 2013 is hard to predict. Assuming no action is taken to increase participation overall in the wake of a fall in participation in education and training from job losses linked to apprenticeships and accredited employer training, the recession would certainly lead to participation by 16 and 17 year olds of less than 95% by September 2013. If participation is projected to reach no more than 90%, even a government positively disposed towards the RPA would have legitimate concerns over excessive truancy (see Diagram 7).

12.2 Even so, such a judgement needs to be tempered somewhat by the fact that today's Year 7 is different. If the education and skills system **communicates to them** the benefits of participating in full-time education at 16 and 17 rather than looking for jobs, especially full-time jobs which could be in short supply by 2013, introducing the RPA to 17 in 2013 – despite participation between 90 and 95% – might still be judged as possible. Nonetheless, the government of the day would be investing a lot of political capital in the cohort effect achieving a once-and-for-all change in the attitudes of today's Year 7.

Increased uncertainty over the RPA to 18

12.3 Extrapolating forward, the final 5% might become the final 10%, bearing in mind the

Diagram 7: Communicating the benefits of full-time education



recession. Within the construct of the final 10%, there are likely to be fewer 16 year olds than 17 year olds. But within this larger cohort of 17 year olds, more are likely to have a job as their main activity – with or without training – than 16 year olds. Today, for instance, 21% of 17 year olds are in categories where the main activity is a job compared to 10% of 16 year olds. **A possibility, therefore, is that a government positively disposed to the RPA policy might stick at 17 in 2013 because it might just be manageable to persuade the 3% or more of 16 year olds who want jobs but cannot get them to participate in full-time education. The move to 18 in 2015 runs the risk of too many 17 year olds choosing to be truant and being ILO unemployed because they cannot find a job rather than spend another year in full-time education.**

13. Recession and 95% participation by 2013

Increasing participation, reducing youth unemployment

13.1 There is a high degree of risk in doing nothing to mitigate the negative effects of recession on raising participation in education and training as a goal in itself as well as in the build-up to achieving 95% participation by 2013. More fundamentally, no government can stand idly by and allow 16–17 unemployment to rise from 2009 onwards irrespective of what is happening to participation in education and training. Nonetheless, at this critical juncture in the economic cycle and the implementation of the RPA policy, the Labour Government must be absolutely clear about how it intends to **simultaneously achieve increasing participation and reduce 16–17 youth unemployment.**

Maintaining participation with rising youth unemployment

13.2 Box 4 below sets out three illustrative strategies. The first is to **maintain** participation

“There is one main category where job losses achieve a double whammy of reduced participation and higher youth unemployment, namely 16–17 apprenticeships.”

BOX 4: Three illustrative strategies

Strategy 1: Maintain participation but allow youth unemployment to rise

Strategy 2: Increase participation but allow youth unemployment to rise

Strategy 3: Increase participation but reduce youth unemployment

but allow youth unemployment to rise. There is one main category where job losses achieve a double whammy of reduced participation and higher youth unemployment, namely 16–17 apprenticeships. To maintain participation but allow youth unemployment to increase, job losses linked to 16–17 apprenticeships must be offset by expansion elsewhere.

13.3 The DIUS/DCSF paper on world-class apprenticeships (February 2008) was prepared in a mindset of macro-economic stability. Ideas for expanding apprenticeships of all ages in a stable economy include over-training by large private sector firms, wage compensation for small and medium-sized enterprises (SMEs) and growing apprenticeships in the public sector to the private sector average (see Table 16).

13.4 Indeed, it is fair to say that even in the context of macro-economic stability the **public**

sector was cast as the provider of last resort for 16–17 employed apprenticeships.

This extended to the national apprenticeship entitlement for suitably qualified 16–17 year olds set to be introduced alongside the RPA in 2013.

13.5 The House of Commons Innovation, Universities, Science and Skills Committee, in its pre-legislative scrutiny of the Draft Apprenticeship Bill published in November 2008, concluded that the economic downturn throws up challenges and opportunities for government policy towards apprenticeships (see Box 5 below). But the critical issue is the challenges and opportunities of the recession for maintaining 16–17 apprenticeships at least at their current levels. Cut backs in 16–17 private sector apprenticeships must be offset by the **public sector offering 16–17 apprenticeships.**

TABLE 16: Percentage of Employees aged 16–24 participating in an Apprenticeship in England

	%
Central Government	2.2
Local Government	3.1
Of which:	
Education	5
Fire service/police	<1.0
Social services	1.9
Recreation and sport	1.4
Other	6.7
Higher education	1.3
NHS	2.6
Armed Forces	5.4
Public sector average for this age group	3.0
Private sector average for the age group	4.9

“Clearly, the recession is bringing into question the role of public sector employers as the providers of last resort for 16–17 employer-based apprenticeships.”

BOX 5: Apprenticeships and the Economic Downturn

We conclude that the economic downturn throws up challenges and opportunities for the Government’s policy on apprenticeships. There are, as far as we can see, no provisions in the draft Bill that have been specifically designed to encourage provision of apprenticeships during the downturn. We recommend that the Government set out in detail (i) how it expects the public sector, both central and local government, to provide and organise apprenticeships to meet the challenges of the downturn and (ii) what additional resources will be provided.

House of Commons Innovation, Universities, Science and Skills Committee, Paragraph 48, Pre-legislative Scrutiny of the Draft Apprenticeships Bill, 24 November 2008

Increasing participation with rising youth unemployment

13.6 The second strategy is to **increase** participation in education and training but allow youth unemployment to rise. There are three main categories which would lead to an increase in participation without stemming the tide of rising youth unemployment, namely Apprenticeships, Accredited Employer Funded Training and Employed ‘Other Education and Training’.

13.7 The strategy for growing 16–17 apprenticeships was to transform Jobs without Training into such provision. Table 2 and Table 4 above show that 50% of JWT at 16 and 40% at 17 are part-time rather than full-time jobs. Asking employers to support apprenticeships linked to part-time JWT might be difficult when the times are good let alone when times are bad. In addition, over half of all Jobs without Training are in the distribution, hotels, restaurant and retail sector (see Chart 1 below), and most employers in these sectors are small and medium-sized enterprises. Growing 16–17 apprenticeships within small firms in these sectors in good economic times is not easy.

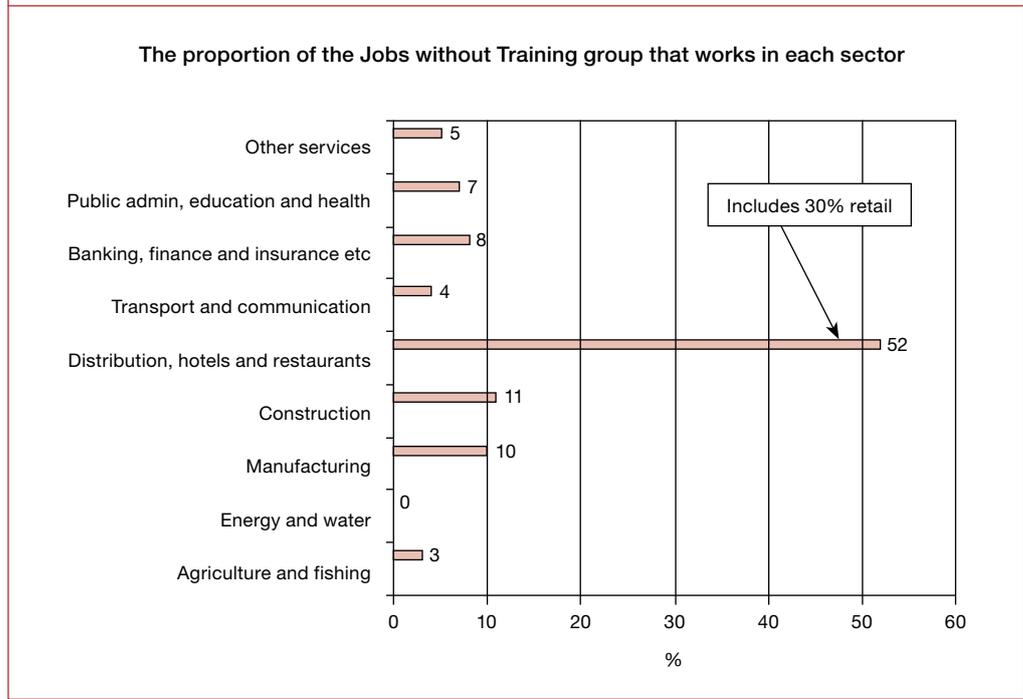
13.8 A significant expansion of employer-based 16–17 year old apprenticeships must overcome the fact that employer demand for this age group compared with older age groups has been stagnant even in a growing economy. Indeed, significant expansion would require surviving large private sector organisations expanding provision by more than cuts that result from large and small private-sector firms going under or in survival mode, alongside large-scale expansion in the public sector despite problems of

falling revenues, recruitment constraints and redundancies. Clearly, the recession is bringing into question the role of **public sector employers as the providers of last resort for 16–17 employer-based apprenticeships**. It is difficult to imagine how a massive expansion of employer-based apprenticeships above the 4% of 16 year olds and 7% of 17 year olds at present can be achieved given the added complication of recession. Moreover, 16–17 unemployment will explode despite any modest expansion of 16–17 apprenticeships if young people in JWT (84,000 in 2007) and EFT (41,000) lose their jobs in large numbers.

13.9 In parallel to transforming JWT into apprenticeships, there is an opportunity to grow Accredited EFT. This could be done by linking existing EFT (41,000 16 and 17 year olds) to the new QCF. Equally, employers could transform JWT into Accredited EFT through the use of the QCF. There is also the prospect of increasing the proportion of 16 and 17 year olds classified as employed ‘other education and training’ (14,000). This could be done by encouraging employers offering JWT to allow young people time off for training. Learning Agreement pilots enable young people in JWT to undertake learning provision which is responsive and flexible to meet their needs and, where applicable, the needs of their employer. Agreements are made between Connexions, the young employee and his/her employer. Training is free to both parties, and bonus payments are sometimes payable to both parties. In some of the pilots, wage compensation is paid to employers for the time a young person is away from work and studying (see Hillage *et al*, *Learning Agreement Pilots Evaluation*, DCSF, January 2009).

“...the Government cannot presume that every unemployed 16 and 17 year old will want to enter provider-based work-based learning and stay on in full-time education or be ready for such activity.”

CHART 1: Sectoral distribution of Jobs without Training



Source: Page 3, *Initial Regulatory Assessment for Raising Expectations: staying on in education and training post-16*. DfES, March 2007.

13.10 Nonetheless, youth unemployment will still rise if 16–17 year olds in JWT and EFT not flowing into apprenticeship jobs, accredited EFT or employed OET are made redundant. As such, an increase in participation would go hand-in-hand with a rise in youth unemployment.

Increasing participation and reducing youth unemployment

13.11 The third strategy is to increase participation in education and training whilst simultaneously reducing youth unemployment if large numbers of 16–17 year olds in JWT (84,000), EFT (41,000) and to a lesser extent employed ‘Other Education and Training’ (28,000) are made redundant. If these 16 and 17 year olds do not enter full-time education, they will become unemployed and swell the ranks of ILO NEET. **A much more comprehensive strategy will be required than expanding employer-based apprenticeships, accrediting employer in-house training and offering wage compensation for time to study.** On the one hand, consideration needs to be given to a

national youth skills programme centred on provider-based work-based learning. On the other hand, participation in full-time education needs to be made more financial attractive at 17 since it is at 17 when participation in full-time education drops sharply, and in a recession young people will become ILO NEET as opportunities to find JWT and EFT dry up.

13.12 Nonetheless, the Government cannot presume that every unemployed 16 and 17 year old will want to enter provider-based work-based learning and stay on in full-time education or be ready for such activity. A job is what they want. Not even E2E or job creation programmes might appeal. They will languish in unemployment. JWT might be secured through offering employers **wage subsidies** such as golden hellos at the point of recruitment. The Labour Government announced in the New Year a £500m programme to be managed by DWP and DIUS (‘Firms to get £2,500 for each jobless new recruit’, *Guardian*, 12 January 2009). But it is unclear whether the focus of support will be on adults or cover 16–17 year olds as well.

“A ball-park estimate is that raising the participation age to the 18th birthday from September 2009 would cover an extra 190,000 16 and 17 year olds than would otherwise have participated in education and training.”

14. Raising the participation age to 18 in 2009

Press speculation

14.1 In the first week of the New Year speculation in the press surfaced over whether the Labour Government would raise the participation age to 18 immediately as part of its response to the job crisis (see ‘School-leaving age may rise to 18 in effort to tackle unemployment’, *Guardian*, 5 January 2009, and ‘School-leaving age could be raised to 18 immediately’, *Daily Telegraph*, 5 January 2009). In fact, speculation within Whitehall over introducing the RPA to 18 immediately was linked to the need for the Government to have a ‘big idea’ as the centrepiece of its Social Mobility White Paper. When the White Paper was published by the Cabinet Office on 13 January, the *Financial Times* commented it contained ‘a slew of small initiatives’ but went on: ‘there is no big idea to be seen, although speculation remains that some measures already in the pipeline, such as raising the school leaving age to 18... could be brought forward’ (see ‘Ministers seek to increase social mobility’, 14 January 2009). When this early New Year feverishness had died away but the economic gloom continued to pile up, the economic commentator Will Hutton, writing on 27 January in the *Guardian* argued ‘We need a dramatic expansion of further and higher education to prevent young people becoming NEETs... We could bring forward the increased school leaving age to 2009’ (see ‘The love of labour’).

Time is running out to bring it forward

14.2 The idea that the RPA could be brought forward adds to the uncertainty surrounding the policy. And yet, the reality of the political cycle is that time is running out. With 3 June 2010 the last possible date for the next general election and September 2009 the last full academic year under the present Labour Government, introducing the RPA ‘immediately’ or bringing it forward **in this Parliament** can only mean September 2009. Bringing the RPA forward to say September 2010 rather than September 2013 makes it a Labour Party manifesto commitment, not a policy for this Parliament. The next possible hook for the RPA to be brought forward to September 2009 is the Budget, now set for 22 April 2009. It is

important, however, to assess the coverage and implications of raising the participation age to 18 in September 2009.

190,000 new participants

14.3 A ball-park estimate is that raising the participation age to the 18th birthday from September 2009 would cover an extra **190,000 16 and 17 year olds** than would otherwise have participated in education and training (see Table 17). This would be an enormous undertaking. It is nearly three times larger than the New Deal for Young People (18–24 year olds) which had 69,290 participants in December 2007 (see Parliamentary Answer, House of Commons, Hansard, 29 September 2008). The 190,000 estimate takes into account the fall in the cohort of 16 and 17 year olds between 2007 and 2009, and assumes an increase in participation at 16 and 17 of 1.5 and 1.6 percentage points over the period. Judging employer reaction to the opportunity to accredit in-house training and the obligation to offer statutory release is difficult but the assumption is made that the former will apply to full-time jobs linked to EFT (accredited EFT) and the latter will apply to full-time jobs linked to ‘other education and training’. It is assumed that employers offering JWT will not change their behaviour. Participation in employer-based 16–17 apprenticeships is assumed to be unchanged.

Raising the participation age cannot tackle youth unemployment

14.4 Of course, speculation over increasing the RPA immediately to 18 in January 2009 was based on the belief that it would solve youth unemployment. This is totally misleading. Such a policy would merely **change the label of these young people from unemployed to truants**. Raising the participation age can only tackle youth unemployment if it is combined with provision for 16 and 17 year olds which they want to participate in.

Reasons to hold fire

14.5 There are both general and specific reasons why the Labour Government should resist increasing the RPA to 18 in September 2009 (see Box 6). The general reasons shape the specific reasons. On the one hand, the cohort of 16 and 17 year olds will be 64,000

TABLE 17: Raising the participation age to 18 in September 2009

Year	2007	2007
Age	16	17
Cohort	669,000	673,000
Groups already participating including Jobs with Statutory Release		
Full-time Education (1)	79.0	66.5
Employer-based Apprenticeships (2)	4.1	6.6
E2E (3)	1.8	1.0
Full-time Jobs with Accredited EFT (4)	1.9	3.4
Full-time Jobs with Statutory Release (5)	0.1	0.3
Total %	86.9	77.8
Total Number	581,000	528,000
Groups the participation age must cover		
OET not in Full-time Jobs (6)	3.5	4.0
Part-time Jobs with Non-Accredited EFT (7)	0.4	0.6
Jobs without Training (8)	3.9	8.5
ILO NEET (9)	2.6	5.4
Economically Inactive NEET	2.8	3.7
Total %	13.2	22.2
Total Number	77,000	149,000
Year	2009	2009
Age	16	17
Cohort (10)	636,000	662,000
Estimate of non-participation in 2009		
Total % (11)	10.2	19.0
Total Number	65,000	125,000

Notes:

- (1) Proportion for full-time education in 2007.
- (2) Figure does not take into account any expansion of 16–17 apprenticeships in 2008 or from the announcement of 35,000 additional places for apprenticeships of all ages in 2009.
- (3) E2E in 2007.
- (4) Estimate assumes full-time jobs linked to EFT will become full-time jobs with accredited EFT but 16–17 year olds in part-time jobs linked to EFT will have to study full-time.
- (5) Estimate assumes 16 and 17 year olds in employed full-time OET will become full-time jobs with statutory release.
- (6) Estimate assumes that ILO unemployed and economically inactive OET must study full-time rather than part time, and part-time employed OET must also study full-time.
- (7) Estimate assumes 16 and 17 year olds in part-time jobs linked to non-accredited EFT will have to participate full-time.
- (8) Estimate assumes that employers will transform all Jobs without Training into jobs of less than 20 hours to avoid offering statutory release.
- (9) The table splits NEET into two categories: ILO NEET and Economically Inactive NEET.
- (10) Office of National Statistics. Population Projected for England: Mid-Year – 2006-Based Projection.
- (11) Assumes percentage increase of 1.5 for 16 year olds and 1.6 for 17 year olds in 2008 and 2009.

Source: Tables 1, 2, 3 and 4 above.

BOX 6: Reasons not to raise the participation age to 18 immediately

General reasons

Reason 1: A larger cohort of 16 and 17 year olds than 2013

Reason 2: A larger 'final' group of non-participants than 2013

Specific reasons

Reason 1: Limited time for employers to respond to the new policy

Reason 2: Limited time to build sufficient capacity in the system

Reason 3: Limited time to develop a gateway system to prevent truancy

Reason 4: Excessive cost and an early decision on financial support

Reason 5: The policy will not eradicate 16–17 youth unemployment

more in 2009 (1.298m) compared with 2013 (1.234m). On the other hand, the final group not participating in education and training would be the final 15% of 16 and 17 year olds (190,000) rather than the hoped-for final 5% in 2013 (61,000). **This is three times the 2013 estimate.**

Premature employer responses

14.6 Employers will have six months at most to get to grips with the RPA. They will have to make hasty decisions over the simultaneous expansion of 16–17 apprenticeships, statutory release and accrediting in-house training during a deep recession. Employers might respond by turning a large swathe of full-time JWT and EFT, and full-time jobs linked to OET – some 88,000 on 2007 estimates – into part-time jobs of less than 20 hours so as to avoid offering statutory release or accredited training. **This would result in the premature expansion of part-time 16–17 jobs.** Indeed, half of young people in JWT might be very content with this activity today but in the context of the RPA from September 2009 this option would no longer be available to them (see Box 7).

14.7 Employers will have less time to prepare for the added burden of communicating to local Connexions services that they are employing 16 and 17 year olds but are not offering apprenticeships, statutory release or accredited training. The result could be that too many employers unwittingly break the law and come within the scope of the financial penalties for not offering statutory release when they have an obligation to do so.

Limited time to build capacity

14.8 More generally, the education and training system as a whole would have six months at most to build capacity to meet the needs of 190,000 16 and 17 year olds. The capacity question spans many issues including: (i) the capacity of local authorities to ensure sufficient supply of places knowing that they will not become responsible for 16–18 LSC school and FE funding until April 2010 (and subject, of course, to the passing of the Apprenticeships, Skills, Children and Learning Bill); (ii) the capacity of local authorities and Connexions to have database and monitoring systems in place linked to providers and

BOX 7: Segmentation of Jobs without Training

Within the JWT group, almost half are very content with their work and likely to remain in a JWT in the long term. A third of young people in this group were found to be at risk of becoming NEET in the future, while 17 per cent had taken a JWT as a stop-gap solution before re-engaging in education and training.

Key Findings

T Spielhofer et al, *Increasing Participation: Understanding Young People who do not Participate in Education or Training at 16 and 17*, Research Report, RR072, DCSF, January 2009

employers, with providers and employers ready and able to inform Connexions whether 16 and 17 year olds are engaged in education and training; (iii) the capacity of providers, especially general FE colleges and private/voluntary sector providers, to deliver mainstream and specialist education and skills provision; (iv) the capacity of Connexions and providers to get in touch this September with the 17 year olds who would form the vast proportion of young people who would need to participate and who on past experience are planning to leave full-time education this summer; and (v) the capacity of the education and skills system alongside the juvenile justice system to work out in detail the rules for reasonable excuses and an engagement process which ultimately leads to the application of civil sanctions.

Limited time to build an effective gateway system

14.9 Time would also be short in terms of meeting the needs of the most disadvantaged in the context of the RPA. The concept of the final 5% of 16–17 year olds under the assumption of raising the RPA to 17 in 2013 and the final 10% of 17 year olds under the assumption of raising it to 18 in 2015 has **crystallised** the need for different options for such a varied group of young people. Deciding to implement the policy in 2009 when 15% of 16 and 17 year olds would be obliged to participate should not obscure the fact that a significant proportion might not be receptive to full-time education or even a new youth skills programme. JWT will no longer be an option from September 2009 (see Box 7). Long-term

NEET will also no longer be an option even though recent research shows that two fifths have a lot of personal and structural barriers (see Box 8). Time is also needed to learn from a whole range of pilots designed to assist those not in education and training to increase participation to 95% of 16 and 17 year olds by 2013, as well as learn more about the specific needs of the final 5% under the RPA (see Box 9).

14.10 Indeed, time is needed to find the right mix of provision for the final 5% of 16 and 17 year olds in 2013, and the final 10% of 17 year olds in 2015. Whilst the outcomes of the Learning Agreement pilot concluded that *'actively providing young people who are in jobs with no recognised training opportunities with the chance to work towards a qualification at no cost to themselves can induce a significant number – around a third – to work towards a qualification who would not do so otherwise'* (see Hillage *et al*, January 2009) there is a sense that **something more** is needed. Similarly, whilst the evaluation of the Activity Agreements indicate positive results the evaluation report concluded *'Other support programmes, for young people in the most difficult circumstances, will probably be required'* (see Hillage *et al*, November 2008).

14.11 All this suggests that time is needed to develop accredited activities which would count under the RPA to ensure this group do not become truants and kick-start the sanctions process. Furthermore, time is short for Whitehall to develop a **gateway** which

BOX 8: Segmentation of NEET Category

Two fifths of young people who are NEET are generally positive about learning and very likely to participate in education and training in the short term.

A similar proportion face a lot of personal and structural barriers, and are likely to remain in NEET in the medium term.

A fifth of young people were classified as 'undecided NEET' – they do not face significant personal barriers to participating in education or training but are dissatisfied with the available opportunities.

Key Findings

T Spielhofer *et al*, *Increasing Participation: Understanding Young People who do not Participate in Education or Training at 16 and 17*, Research Report, RR072, DCSF, January 2009

BOX 9: Pilots to re-engage 16–17 year olds in learning**Activity Agreements**

Since 2006, the Government has piloted Activity Agreements to assist 16 and 17 year olds to move back into education, employment and training. The agreement is negotiated between a Connexions Personal Adviser and a young person who has been NEET for 20 weeks in return for additional support and a weekly allowance.

Learning Agreements

A series of pilots has been implemented to assist young people in Jobs without Training to participate in education and training. Training is free to both young people and employers, learning is provided in a flexible way to meet the needs of young people and their employers, bonus payments are paid to both parties in some pilots, and wage compensation is paid to employers in some pilots.

Third Sector Pilots

Voluntary organisations are funded to offer informal and non-accredited provision, to help young people re-engage in learning.

Entry to Learning programme

Building on the Activity Agreements and Third Sector pilots, £31.5m has been allocated to a new Entry into Learning programme. The E2L programme will support young people to progress from this re-engagement provision back into formal learning. Young people will be supported by a trusted adult mentor to progress through a personalised programme of development.

Paragraphs 2.41 and 3.30/31, *Delivering 14–19 Reform: Next Steps*. DCSF, December 2008

offers 16 and 17 year olds opportunities such as job search, subsidised work placements without training and other specialised accredited activity, before progression into formal education and training can take place.

Excessive cost and an early decision on financial support

14.12 Employer reaction to the raising of the participation age and the statutory right to day release in the context of a deep recession will be critical to working out the cost to the taxpayer of implementing the RPA in September 2009. By definition, 16 and 17 year olds in part-time jobs – with or without accredited training – have a duty to participate on a full-time basis. In effect, the estimated additional 190,000 16 and 17 year olds – less a small proportion with reasonable excuses – will have to participate in some form of full-time activity funded by the taxpayer. Equally, there will be a shift from employers paying financial support in the form of wages to the taxpayer in the form of Child Benefit, Child Tax Credit

and Education Maintenance Allowances. A cautious assumption is that the **minimum cost** of including an extra 190,000 16 and 17 year olds in education and training would be around **£1.1bn** for a full year and £0.65bn for the period between September 2009 and March 2010 (see Box 10 below).

14.13 The estimate for provision costs covers the 190,000 extra 16 and 17 year olds who need to participate in an activity under the participation age. It excludes any additional costs to the taxpayer of demand for training linked to statutory release. The average cost of provision is assumed to be £3,800 per year (which is the cost of E2E over 30 weeks). This figure is used because the aim of the calculation is to arrive at a minimum cost to the Treasury. In reality, the average cost will need to reflect demand for no more than a unit of a qualification to a full Level 3 qualification (including expensive Advanced Apprenticeships and Advanced Diplomas), and the cost of accredited job search to an

outward bound course for a short period before progression into accredited education and training takes place. No estimate is made of the provision needed to fund the services required to assist 16 and 17 year olds to tackle the problems which give them a reasonable excuse not to participate so they can participate at some stage in the near future.

14.14 Equally important is the fact that the estimate includes the cost of financial support. On balance, the figure of £400m is bound to be an underestimate because of the lack of an estimate for Child Tax Credit and Income Support. And yet, the early introduction of the RPA forces the Labour Government to make critical decisions over 16–17 financial support policy. On the one hand, an earlier than necessary decision would need to be taken over whether EMAs should be paid to 16 and 17 year olds in full-time education and unwaged work-based learning, since EMAs are an incentive to encourage young people to attend and under the RPA attendance

will be compulsory. On the other hand, the Government will need to make a decision over the introduction of a Youth Allowance paid to 16–17 year olds based on a shake-up of Child Benefit, Child Tax Credit, Income Support and EMAs. Indeed, such a decision would bring forward the Cabinet Office review of financial support for 16–18 year olds due to be published in Spring 2010 (*New Opportunities – Fair Chances for the Future*, HM Government, January 2009).

Introducing the RPA with extra provision cannot eradicate youth unemployment

14.15 Introducing the RPA even with additional provision for education and training cannot eradicate youth unemployment. 16 and 17 year olds could always refuse to participate despite a duty to do so and the additional provision available. As Table 5 above shows, these 16 and 17 year olds would be truants who had looked for work in the past four weeks. Instead of being ILO NEET in the current terminology they would be ILO truant under the RPA.

BOX 10: Estimated cost of raising the participation age to 18 immediately

Programmes	£722m (1) (2)
Financial Support	£369m (3) (4)
Child Benefit	£198m (5)
Child Tax Credit	Estimate not possible
EMAs	£171m (6)
Total	£1,091m

Notes:

- (1) The estimate excludes any extra cost to the taxpayer of off-the-job training linked to statutory release or financial support costs paid to the young person for travel, books and equipment where the employer refused to offer such support.
- (2) The estimate is based on the cost of E2E provision for 30 weeks of £3,800 per annum for 190,000 extra 16 and 17 year olds who need to be in education and training for a full year.
- (3) The financial support estimate excludes Child Tax Credit and Income Support payments paid to families with 16–17 year olds in full-time education and work-based learning or to young people with children eligible to claim these benefits. Overall, the cost of CTC and IS is likely to be substantial since such payments on behalf of 16–19 year olds (£1.8bn in 2004/05) are higher than Child Benefit (0.9bn in 2004/05) and Education Maintenance Allowances (0.6bn in 2010/11).
- (4) The financial support calculation excludes learner support for 16–17 year olds in addition to CB, CTC and EMAs.
- (5) The Child Benefit calculation assumes each 16 and 17 year old is the eldest child eligible for the higher rate of £20 per week for 52 weeks for 190,000 16–17 year olds.
- (6) The EMA calculation assumes that the maximum payment of £30 per week for 30 weeks is payable to all of the extra 190,000 16–17 year olds.

“Raising the participation age to 17 this September would ensure that the legislation was actually implemented.”

15. Raising the participation age to 17 in 2009

A half-way house

15.1 A half-way house to raising the participation age to 18 from September 2009 would be to raise it to 17 from September 2009. Such a move would represent a direct response to concerns over the lives of 600,000 16 year olds finishing secondary school this summer (see Box 11). Politically, it would ensure that the RPA was actually implemented. Crudely, it could be seen as part of Labour’s legacy given the uncertainties of the next general election. And from a pragmatic perspective, raising the participation age to 17 from this September would mean that compulsion would cover around 65,000 young people, around a third of the total if it were raised to 18. The costs would be more manageable – around £0.4bn in a full year – and the entire summer could be used to communicate to parents that today’s Year 11 taking their GCSEs should look to **stay on in full-time education** from September because the prospects of getting jobs, let alone jobs with training and apprenticeships, are so grim.

15.2 The downside, of course, is that compulsion would still be covering **10% of 16 year olds** who would not be participating in accredited education and training. In addition, each of the specific reasons cited to argue against raising the participation age to 18 apply to raising it to 17. Moreover, the links between the RPA and the development of a robust 14–19 phase on the one hand, and on the other hand, the use of the RPA as a cohort policy which provides a framework to engineer long-term cultural change in relation to staying on in education and training post-16 would be broken. **On balance, this option should also be rejected.**

Keeping the RPA on track

15.3 Rather than raise the participation age to either 17 or 18 from this September, the government must seek to prevent 16–17 youth unemployment whilst simultaneously increasing participation in education and training, and continue to target interventions on today’s Year 7 who will be the first cohort affected by the proposal.

BOX 11: Planning for 600,000 school leavers this summer

Top American economists report that the average increase in unemployment after credit crunch-induced recessions is 7% of the workforce. If that happens, we can expect one in eight Britons to be unemployed by 2012. If the international outlook darkens or if the measures taken to put a floor under the economy do not work as they should, it could be much worse. Mass unemployment ranging up to 4 million, with young people disproportionately affected, is going to be the story of the 2010s.

It will be this July that the scale of what is happening will hit home: 600,000 young people will leave school and college looking for a job. As many as half may not get work. It is an unfolding social calamity. We know from the early 1980s that youth unemployment scars people psychologically, emotionally and economically for life.

Will Hutton, ‘We can replicate the beauty that came from the Depression’, *Observer*, 8 February 2009

Action to keep the RPA on track

“ In order to prevent 16–17 youth unemployment spiralling out of control by 2013, the Labour Government should announce a 16–17 Jobs and Skills Plan at the time of the Budget in 2009. ”

16. Preventing 16–17 youth unemployment until 2013

A forgotten group

16.1 Despite a range of measures to prevent unemployment through wage and training subsidies announced by the Labour Government since October 2008, there has been no coherent focus on 16 and 17 year olds. They are almost the forgotten group of this recession.

16.2 DCSF and DIUS jointly announced the expansion of apprenticeships by 35,000 (7 January 2009). To prevent 16–17 youth unemployment, DCSF and DIUS needed to explain at the outset the proportion of apprenticeships for 16–17 year olds. Meanwhile, DWP and Jobcentre Plus support is required because personal advisers are needed to signpost unemployed 16 and 17 year olds looking for work to local Connexions services and onward to 16–17 employer-based apprenticeships and programme-led work-based learning opportunities.

16.3 DWP and DIUS jointly announced the ‘golden hello’ policy of a £1,500 training subsidy and a £1,000 wage subsidy for the six-month unemployed. To prevent 16–17 youth unemployment, DWP and DIUS needed to explain at the outset whether these subsidies would be available to 16–17 apprenticeships and 16–17 jobs with and without training. The focus of these initiatives seems exclusively on the 18+ unemployed, with an unwritten assumption that 18–24 year olds not in employment, education and training (i.e. 18–24 NEET) is a more important group. DCSF, local authority and Connexions support is needed so that jobless 16–17 year olds are informed about any entitlement to golden hellos.

Ten-point 16–17 Jobs and Skills Plan

16.4 In order to prevent 16–17 youth unemployment spiralling out of control by 2013, the Labour Government should announce a 16–17 Jobs and Skills Plan at the time of the Budget in 2009. Ideally, however, the prevention of youth unemployment should

go hand-in-hand with increasing participation in education and training. Box 12 sets out a suggested ten-point plan.

16.5 To prevent a rapid rise in 16–17 youth unemployment, the Government must **maintain job opportunities for 16–17 year olds not in full-time education**. This includes Jobs without Training and EFT jobs. The government should target wage subsidies within the £500m ‘golden hello’ package to 16–17 year olds to find JWT and jobs with EFT. Wage subsidies, however, should become available for 16 and 17 year olds out of work immediately rather than after six months. Similarly, the mother-of-all recessions is not the time to price 16–17 apprentices out of a job. Applying the 16–17 youth rate of the National Minimum Wage to 16–17 waged apprentices should be delayed for at least one year. In addition, closer links between JCP and Connexions will be required. More jobless 16–17 year olds can be expected to use Job Centres to look for work and JCP need to treat them as a priority group. More jobless 16–17 year olds will also need to be signposted by JCP to Connexions to advise them on wider education and training opportunities.

16.6 Preferably, however, the rise in youth unemployment should be prevented by expanding **jobs with training or time off for training**. Hence, a significant proportion of the 35,000 extra apprenticeships should be earmarked to 16–17 year olds backed up by wage subsidies for small firms from either the DWP/DIUS ‘Golden Hello’ fund (£500m) or the additional DCSF/DIUS apprenticeship budget (£140m). Similarly, ‘training’ subsidies within the ‘Golden Hello’ fund should be available to organisations offering employer-funded training so that this training can be accredited under the QCF.

16.7 Equally, the Government should roll out nationally Learning Agreements which help young people in JWT obtain time off for training. The pilot evaluation found that involvement was greater from the young person route than the employer route.

BOX 12: Ten-point 16–17 Jobs and Skills Plan until 2013**Maintaining Jobs for 16–17 year olds not in Full-time Education**

1. Offer golden hello wage subsidies for employers recruiting 16–17 year olds in jobs with or without employer-funded training
2. Delay applying the 16–17 rate of the National Minimum Wage to waged-based apprentices
3. Develop closer links between Connexions and Jobcentre Plus with 16–17 year olds becoming a priority group for JCP

Increase Participation in Jobs with Training by 16–17 year olds

4. Allocate a specific proportion of the additional 35,000 places for employer-based apprenticeships to 16–17 employer-based apprenticeships including wage subsidies to support small firms taking on 16–17 apprentices, and allocate golden hello wage subsidies and training for organisations offering 16–17 year olds Jobs with Employer Funded Training to turn in-house training into accredited training
5. Set in train the national roll-out of Learning Agreements with wage compensation for time off for study given the recession, alongside the national roll-out of Activity Agreements to assist long-term 16–17 year old NEETs find jobs with training, and access other support whilst receiving EMA-style allowances

Increase Participation in Full-time Education by 16–17 year olds

6. Increase the value of Education Maintenance Allowances above £30 per week for 16 and 17 year olds and the premium paid to 17 year olds in full-time education and unwaged training eligible for Education Maintenance Allowances
7. Support FE colleges to develop a communication strategy to encourage 16 year olds in college today to stay on until 17, and to inform 15 year olds in schools that college places are available
8. Support FE colleges to develop a communication strategy to persuade 16 year olds in FE colleges today undertaking vocational Level 2 courses to stay on at 17 and undertake vocational Level 3 courses

Increase Participation in Unwaged Training by 16–17 year olds

9. Fund a new Youth Skills Programme for 16–17 year olds offering programme-led work-based learning
10. Expand pre-employment, E2E and Entry to Learning provision for disadvantaged 16–17 year olds

“Young people with broader needs should be catered for by expanded pre-employment, E2E and Entry to Learning programmes.”

Interestingly, however, it found that wage compensation to employers ‘appeared to make no positive difference to either their involvement or the level of take-up’ (see Paragraph 6.7, Jim Hillage *et al*, *Learning Agreement Pilots Evaluation, Synthesis Report*, DCSF, January 2009). Presumably, the fieldwork for the evaluation was undertaken before the full force of the recession became apparent. The inference that wage compensation might be unimportant to the national roll-out of Learning Agreements should be reconsidered.

16.8 At the same time, the Government should roll out nationally Activity Agreements which support 16 and 17 year olds who are long-term NEET to find either jobs with training or full-time training. The national evaluation found three elements are required for success: an allowance, innovative activities and the personal adviser. Payment of an allowance grabbed the attention of participants. Take-up was higher at £30 per week than £20 per week. Overall, the national evaluation concluded that ‘*Activity Agreements can play a significant role in the lead-up to raising the participation age by supporting a significant element (between 10 and 20 per cent) of the current NEET population to return to some form of recognised learning activity*’ (see Hillage *et al*, November 2008).

16.9 The severity of the recession could also mean that public and private sector demand for 16–17 apprenticeships is limited and job losses within JWT and EFT are significant. The loss of part-time jobs by 16 and 17 year olds from poorer backgrounds in full-time education – or their parents’ jobs – could also lead to lower entry at 16 and higher drop-out at 17. The Government needs a plan B and that is full-time education and skills training. To make full-time education more attractive, means-tested EMAs should be increased above the maximum of £30 per week with a higher rate paid at 17 since this is when participation in full-time education historically falls. Moreover, FE colleges should inform today’s 15 year olds at school that college places are available this September, encourage today’s 16 year olds at college to stay on until 17 and persuade 16 year olds achieving a vocational Level 2 this summer to enrol on vocational

Level 3 programmes including traditional vocational qualifications, and if appropriate the new Diplomas.

16.10 However, expansion of full-time education is bound to be insufficient to tackle 16–17 unemployment. Many 16 and 17 year olds unable to get a job or thrown out of work might not wish to stay on in, or re-enter, full-time education. Unless a strongly vocational skills option is created, jobless 16 and 17 year olds might vote with their feet and remain unemployed. To prevent this from happening, the Government should develop a **Youth Skills Programme** offering programme-led and provider-based work-based learning equivalent to employer-based apprenticeships for 16 to 17 year olds. Young people with broader needs should be catered for by expanded pre-employment, E2E and Entry to Learning programmes.

16.11 A rise in 16–17 youth unemployment of 100,000 by September 2009 would require an expansion in provision of a quarter of that needed if the participation age was raised to 18. Such an increase would also be equivalent to ILO NEET amongst 16 and 17 year olds tripling from 4% to around 12%. Four points of the plan are administrative measures (2, 3, 7 and 8). Two points call for a re-allocation of new resources already announced (1 and 4). Three points propose funding for extra provision and assumes financial support at current rates (5, 9 and 10), and one point calls for higher rates of financial support (6). Focusing on the points in the plan which propose funding for extra provision alongside existing rates of financial support, the cost for an additional 100,000 places would be around £560m (see Box 7). Between September 2009 and March 2010, the cost would be around £330m. However, this is bound to be an underestimate given the cautious assumptions using E2E unit costs and bearing in mind that Child Tax Credit is difficult to estimate. The estimate also assumes limited allocations to 16–17 year olds from the recent apprenticeship and recruitment subsidy packages.

“Reducing truancy by today’s Year 7 as they progress through their secondary education is the most effective way to minimise truancy under the RPA in 2013.”

17. Tackling truancy by today’s Year 7

Truancy and civil sanctions

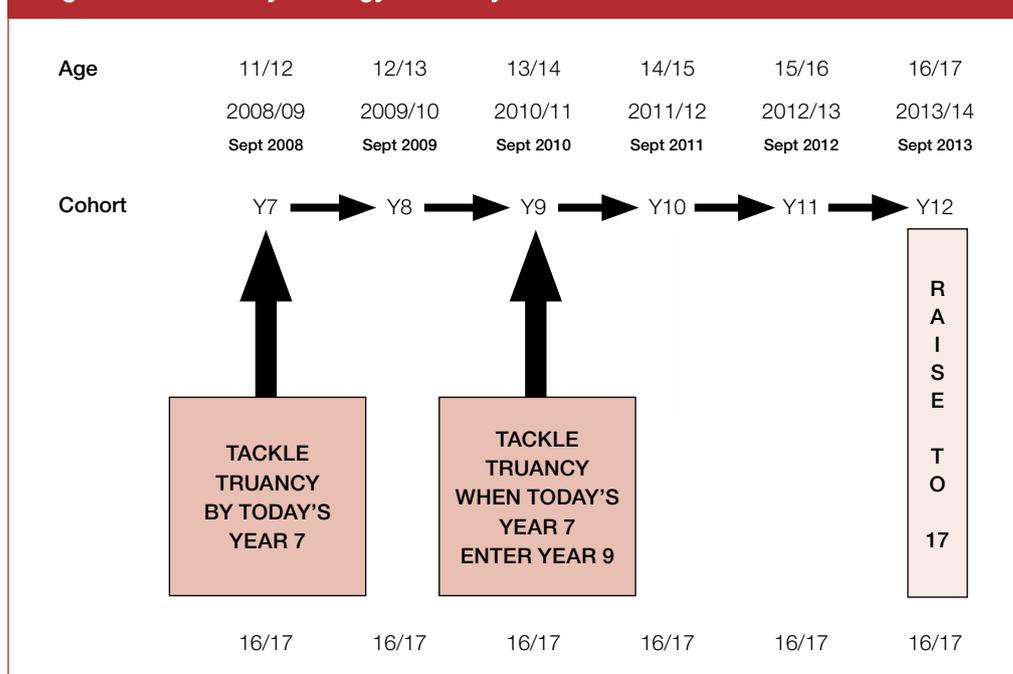
17.1 Opponents of civil sanctions for 16 and 17 year olds linked to raising the participation age argue that truancy at 16 and 17 can be traced back to truancy during secondary school and even primary school. Hence, the conclusion that sanctions under the participation age will do little to influence the attitudes of persistent truants at secondary school to engagement in education and training post-16.

A specific truancy strategy targeted on today’s Year 7

17.2 In fact, this conclusion misses the point that the participation age is a cohort strategy. The appropriate policy response is for DCSF to develop a specific anti-truancy strategy for today’s Year 7 to minimise its incidence year-on-year until this cohort reaches Year 12 (see Diagram 8).

17.3 Furthermore, the response to the historical rise in persistent absenteeism from secondary schooling by pupils aged 14 and 15 should be a stronger anti-truancy strategy for today’s Year 7 when they reach Year 10 aged 14. Reducing truancy by today’s Year 7 as they progress through their secondary education is the most effective way to minimise truancy under the RPA in 2013.

Diagram 8: A Truancy Strategy for Today’s Year 7 until Year 11



“The Apprenticeships, Skills, Children and Learning Bill will transfer funding for 16–18 academic and vocational education to local authorities.”

18. Three big reforms for Year 10 in 2011

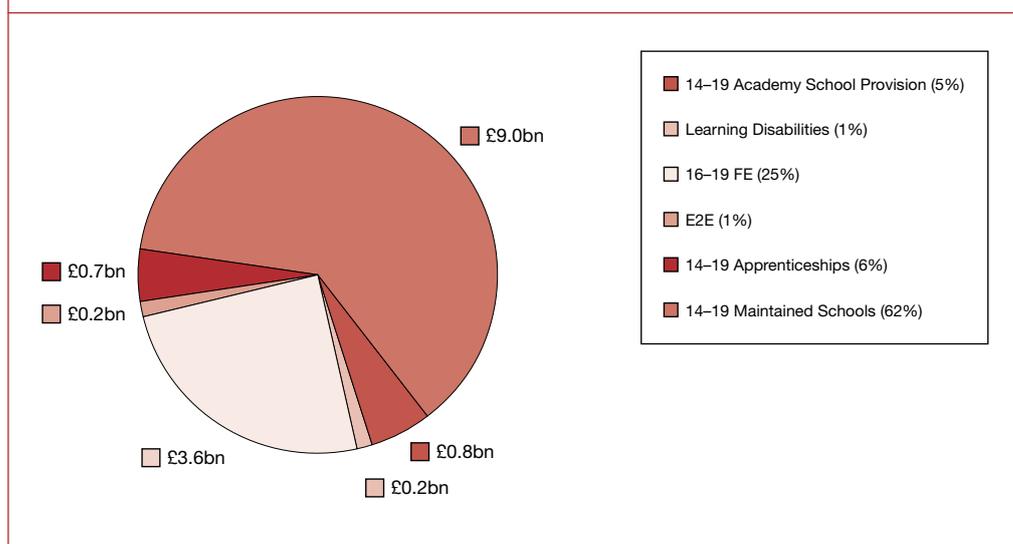
Year 10 and a single 14–19 funding system

18.1 The Apprenticeships, Skills, Children and Learning Bill contains provisions to abolish the Learning and Skills Council, and replace it with a new Young Person’s Learning Agency (YPLA) and a new Skills Funding Agency (SFA). The National Apprenticeship Service will be housed within the SFA. The Apprenticeships, Skills, Children and Learning Bill will transfer funding for 16–18 academic and vocational education to local authorities. More specifically, DCSF will fund local authorities directly for school sixth forms, 16–18 FE and E2E. DCSF will continue to fund 16–19 provision directly to academy schools although there is a possibility that the YPLA will become the agency for all 3–19 academy funding. DCSF will fund 16–18 apprenticeships via the 19+ Skills Funding Agency. The great funding transfer of £6bn to local authorities for 16–18 provision is planned to take place from April 2010. However, the end-game is not necessarily the transfer of 16–18 LSC funding to local authorities. The bigger prize is the creation of a single national 14–19 funding system covering 14–15 secondary school funding and 16–18 funding. A rough estimate of total 14–19 revenue funding in 2011/12

is £14.5bn (see Chart 2). Excluding 16–18 apprenticeship and 14–19 school academy funding, a single 14–19 budget would be around £13bn in 2011/12.

18.2 There are three key arguments for the creation of a single national 14–19 funding system. Firstly, providers within the 14–19 system should receive comparable funding for comparable activity ensuring that FE colleges receive the same funding rates as schools for 14–15 provision as well as 16–18 provision. Secondly, a single national 14–19 funding system would prevent funding barriers arising from the operation of different funding ages (14–15 and 16–18) and ring-fenced funding blocks for different providers (14–19 schools and 14–19 FE) thereby restricting opportunities for 14–19 year olds to study vocational programmes. And third, a single national 14–19 funding system would ensure that funding barriers arising through artificial distinctions between 11–15 and 16–19 ring-fenced budgets do not prevent 14–19 learners from choosing where they wish to study, what they wish to study and the best mix of providers for the best mix of qualifications (see Mark Corney and Mick Fletcher, *New Localism and 14–19 Funding*, Campaign for Learning, February 2008).

CHART 2: Estimated 14–19 Revenue Funding in 2011/12



Source: Updated from original estimate in Mark Corney and Mick Fletcher, *New Localism and 14–19 Funding*, Campaign for Learning, February 2008.

18.3 In the context of the RPA, the Government cannot afford funding barriers to affect Year 10 in 2011 since they might become demotivated and by Year 12 refuse to participate in education and training. It is not by accident, therefore, that the Government is considering as part of the Schools Funding Review the creation of a single national 14–19 funding system managed by local authorities in 2011 (see *Raising Expectations: Enabling the System to Deliver, Update and Next Steps*, DCSF/DIUS, 2008). Ideally, however, any new national 14–19 funding system should include 16–18 apprenticeships and 14–19 school academy funding (see Corney and Fletcher, Campaign for Learning, February 2008).

Year 10 and a 14–19 credit-based qualifications system

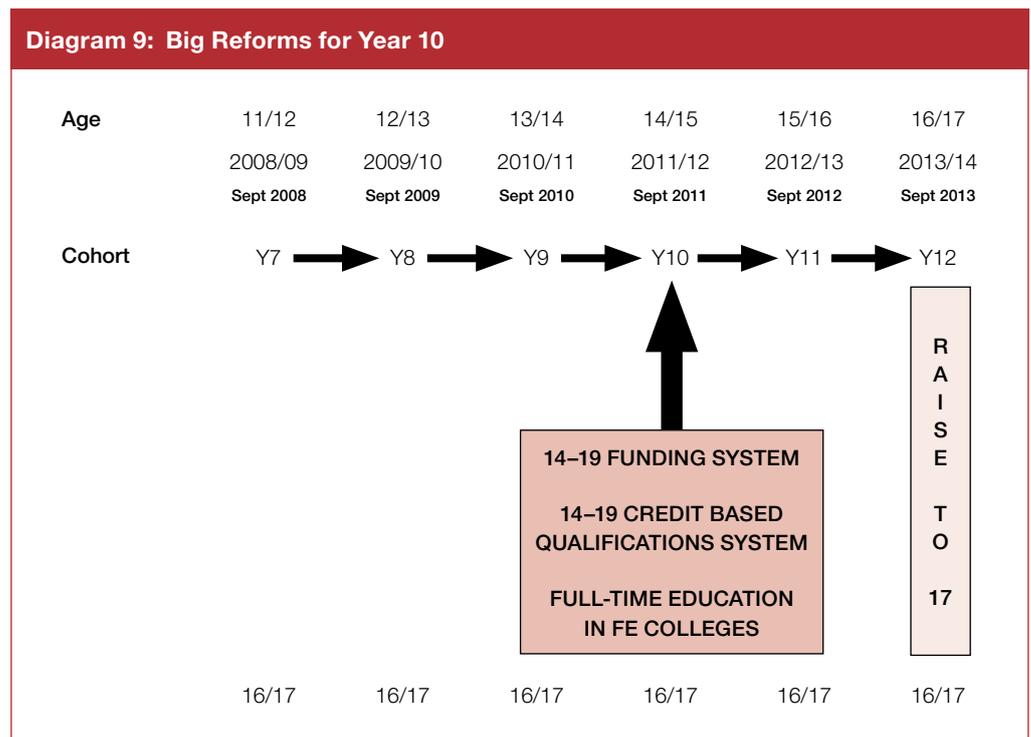
18.4 Nonetheless, the focus on Year 10 in 2011 does not stop at a 14–19 funding system. It is the year when a credit-based 14–19 qualifications system is proposed to be introduced (see Diagram 9). Once again, the argument is that a credit-based system available to Year 10 in 2011 will ensure that this cohort can have the maximum possible choice over the mix of whole qualifications and also the mix of different credits of qualifications so that

they are taking the learning which will motivate them to stay on in education and training in Year 12 in 2013.

18.5 Indeed, 2011 is a momentous year for the 14–19 phase and the RPA. It is scheduled to be the year when a 14–19 funding system will be available to fund credits within a 14–19 qualifications system to Year 10 who must stay on until the end of Year 12 in 2013. Even so, critical issues remain with respect to the timetable for the national entitlement to Diplomas and Apprenticeships. Both entitlements are scheduled for 2013 when today’s Year 7 reach 16 in Year 12. But rather than concentrate on a national entitlement for 16+ Diplomas and Apprenticeships in 2013, DCSF should be focusing on ensuring a national entitlement to Diplomas and Young Apprenticeships from age 14 for Year 10 in 2011. This will maximise the choices of Year 10 in 2011, expand vocational opportunities open to them and hopefully increase their motivation to stay on in 2013.

Full-time study in FE by Year 10 from 2011

18.6 A single national 14–19 funding system should ensure that FE colleges receive the same rates for 14–15 provision as secondary



schools. Enabling 14–15 year olds to spend two or three days per week in FE is seen as a way of motivating groups of young people discontented with secondary school. A radical proposal would be to enable 14–15 year olds to study full-time in FE colleges. This is surely a ‘must’ debate issue in the context of the Apprenticeships, Skills, Children and Learning Bill, and Year 10 in 2011 is the ideal cohort to offer this opportunity to.

19. A new system of 16–18 financial support in 2013

0–16 child support and 16–19 financial support

19.1 The Labour Government aims to reduce child poverty and increase participation in post-16 education and training. Child support is available to all children from birth to age 16. By comparison, 16–19 financial support is only available where the young person is in full-time education and unwaged publicly funded training.

19.2 Child Benefit and Child Tax Credit seek to reduce child poverty amongst children of compulsory schooling age up to 16 and amongst 16–19 year olds in full-time education and unwaged training. Child Benefit is a universal benefit, non-means-tested and paid to parents. Child Tax Credit is means-tested to households with income of less than £60,000 per year thereby excluding 20% of households which have income higher than this level.

Around 60% of CTC recipients are families in work. Some out-of-work families entitled to Jobseeker’s Allowance and Income Support receive payments via CTC. Others are paid CTC as part of their JSA/Income Support benefits.

19.3 By contrast, Education Maintenance Allowances and 16–19 Hardship Funds provide financial incentives to increase participation in unwaged education and training by young people from low-income families. EMAs are paid directly to students on condition of attendance and to reward achievement. EMAs are heavily means-tested and are only available to students from households with gross income of less than £30,000 per year. Furthermore, EMA payments range from £30 per week for students from the poorest families to £10 per week to those families with £30,000 household income. EMA payments are intended to cover costs associated with full-time learning such as transport, books and equipment rather than living costs. Meanwhile, 16–19 Hardship Funds are allocated to colleges to disburse on a discretionary basis. These funds enable a flexible response to problems not addressed under EMAs (see *Learner Support – Progress and Issues*, LSC National Council, 16 April 2008). Funds cover excessive costs for books, equipment and travel, and support for part-time learners studying less than 16 hours per week.

16–19 financial support

19.4 A rough estimate is that the total cost of 16–19 financial support is £3.4bn (see Table 18 below). Interestingly, the cost of Child Benefit

TABLE 18: 16–19 Financial Support

	16–19	Share
Child Benefit	£0.9bn (2004/05)	26%
Child Tax Credit	In Work £1.1bn	32%
	£1.8bn (2004/05) Not In Work £0.7bn	53% 21%
Education Maintenance Allowances	£0.6bn (2010/11)	18%
16–19 LSC Learner Support	£0.1bn (2010/11)	3%
Total	£3.4bn	100%

Sources: Monthly and Quarterly Child and Working Tax Credits and Child Benefit Payments, HMRC (August 2008). Written Answer, House of Commons 19 April 2007. Child and Working Tax Credits Statistics – Finalised Annual Awards 2006/07, HMRC (2008). Written Answer, House of Commons 19 April 2007. Written Answer, House of Commons 21 July 2008. LSC Grant Letter 17 November 2007.

“A legitimate question to pose is the extent to which financial support should be available to support participation in education and training without increasing child poverty amongst families with 16–19 year olds in full-time education and unwaged training. Resources cannot be wasted.”

(£0.9bn) and Child Tax Credit including JSA/IS payments (£1.8bn) far exceeds the cost of EMAs (£0.6bn) and Hardship Funds (£0.1bn). About 12% of EMAs are paid out as bonuses (see Box 13 below).

The RPA, 16–18 financial support and child poverty

19.5 The last review of 16–18 financial support was in 2004 (*Supporting Young People to Achieve*, HM Treasury *et al*). Recently, the Government announced a review of financial support for 16–18 year olds with the review being published in Spring 2010 (*New Opportunities – Fair Chances for the Future*, HM Government, January 2009). In its Green Paper on raising the participation age published in March 2007, the Government stated: ‘We will consult on what the right model of financial support would be if participation in education and training is compulsory to age 18’. Under the raised participation age young people must participate in education and training until their 18th birthday. A legitimate question to pose is the extent to which financial support should be available to support participation in education and training without increasing child poverty amongst families with 16–19 year olds in full-time education and unwaged training.

Resources cannot be wasted.

19.6 Overall, the issue of 16–19 financial support is tied up with the wider question of reducing child poverty. After all, total spending on Child Benefit and Child Tax Credit for 0–16 year olds (£21bn in 2004/05) dwarfs total spending on 16–19 financial support including CB, CTC and EMAs (£3.4bn). As a consequence, reform of child support could influence reform of 16–18 financial support. From the perspective of **raising the participation age**, the ideal year for implementing a fundamental reform of 16–18 financial support would be 2013 (see Diagram 10) including the **decoupling** of 0–16 child support from 16–18 financial support. It is

hoped that the 16–18 Financial Support Review reporting in Spring 2010 will set out recommendations for radical reform from September 2013.

Recession, 16–18 financial support and EMAs until 2013

19.7 In the context of increasing participation and reducing 16–17 unemployment between now and 2013, there is need to increase financial support to 16 and 17 year olds in full-time education and unwaged training. Bearing in mind the historic fall in participation in full-time education between 16 and 17 which could lead to youth unemployment in a recession, there is a case for increasing financial support to 17 year olds compared with 16 year olds. Consequently, Education Maintenance Allowances should be retained, their value increased above £30 per week and a premium paid to 17 year olds.

16–18 Financial Support by category under the participation age

19.8 Under the participation age set at 18, there are potentially six categories of participation (see Table 19). Full-time education and unwaged WBL would receive a mix of CB, CTC and EMAs. Waged work-based learners would receive wages from their employer. In addition, 16 and 17 year olds could be in full-time jobs with employer accredited training or full-time jobs with statutory release where again wages would be paid. At the same time, participation in accredited activity – which is not necessarily learning – on a full-time basis (16 hours or more) would be a new category. Financial support would include CB and CTC but also a possible EMA-style allowance (see Section 21 below). Families of young people with reasonable excuses not to participate would still be eligible for CB and CTC but other forms of assistance would depend upon their circumstances. Truants and their families without a reasonable excuse would not be eligible for most forms of financial support.

BOX 13: Education Maintenance Allowances		
• Planned Expenditure	£0.56bn	2010/11 Planned (1)
• Bonus Payments	£0.07bn	2007/08 Actual (2)

Sources: (1) Written Answer, House of Commons 21 July 2008. (2) Written Answer, House of Commons 16 October 2008.

TABLE 20: Recommendations for Reformed 16–18 Financial Support

Funding	Recommendation
Child Tax Credit	No change
Means-tested Child Benefit	Means-test to CTC Income Threshold of £60,000 for payments to 16–18 year old students and unwaged trainees
Means-tested EMAs	Cut bonus payments Means-test attendance payments on household income of less than £28,000 Higher payments on a sliding scale above £30 per week and a premium on a sliding scale at 17
Hardship Funds	Retain
16–18 JSR Fund	JSR Fund to cover travel and equipment costs

Restricting payments of 16–18 Child Benefit could save between £100m and £200m per year (a figure which is larger than 16–19 Hardship Funds).

19.10 A more radical proposal would be to means-test the entire 0–19 Child Benefit budget (£9.6bn in 2004/05) on the grounds that it does little to reduce child poverty or increase educational attainment. This could save between £1bn and £2bn and be used to fund other education priorities such as a Pupil Premium as proposed by the Conservatives and the Liberal Democrats.

Retained but reformed EMAs under the RPA

19.11 Debate has raged over the case for scrapping Education Maintenance Allowances entirely in the context of the RPA since 16 and 17 year olds will have a duty to participate. But a judgement needs to be made between abolishing EMAs and running the risk of truancy because of financial hardship on the one hand, and retaining unreformed EMAs and wasting public money on young people who would participate anyway on the other hand. In fact, the case for retained but **reformed EMAs** under the RPA is overwhelming.

19.12 It is difficult to sustain the argument that EMA bonuses should be paid to reward achievement. This is the whole point of education and training. The bonus element of EMAs (see Box 13 above) should be scrapped.

In terms of attendance payments, the issue is more complex. Currently, EMAs are targeted on young people from households with gross income of less than £31,000. In terms of 2006/07 household data, this means EMA payments are restricted to the 5th decile of household income (see Table 16, *The Effects of Taxes and Benefits on Household Income, 2006/07*, Office of National Statistics, July 2007). The final quantitative evaluation of the EMA pilots showed that payments increased participation and retention by 16 and 17 year olds from middle and lower socio-economic groups (Middleton *et al*, August 2005). **But this is not surprising since EMA payments are restricted to the bottom half of household income.**

19.13 However, EMA payments unlike, Child Benefit and Child Tax Credit, are paid to the student including those living independently as well as at home. Abolishing EMAs under the RPA would seriously disadvantage the 3.4% of 16 and 17 year olds who live independently (see *Supporting Young People to Achieve: Towards a New Deal for Skills*. HM Treasury, March 2004).

19.14 To avoid the abolition of EMAs resulting in financial hardship and potential truancy under the RPA, EMA attendance payments should be targeted on students and unwaged trainees from households of, say, less than £28,000 per year. Maximum payment levels should rise above £30 and a premium should

be paid to 17 year olds to give every incentive for them to stay on in full-time education rather than become truants. Savings made from withdrawing bonus payments could be used to pay for the above reforms.

Other financial support under the RPA

19.15 A hardship payment system under the RPA might still be required for 16–18 year olds having to pay excessive equipment costs. The case is slightly weaker with respect to travel costs since a key component of any 14–19 phase must be cheap and accessible transport services for Year 10 from 2011 and onwards to Year 12 in 2013.

19.16 At the same time, thought needs to be given to the JST group. Although employers offering jobs of 20 hours or more will be required to give 16 and 17 year olds time-off for study equivalent to one day per week for 40 weeks, they do not have to contribute to the cost of off-the-job training, travel or equipment costs. As a consequence, a small JST Hardship Fund should be considered.

Tighter conditionality

19.17 Payments to **parents** with 16–19 year olds in full-time education and unwaged training should be conditional on their children participating in learning or accredited activity under the RPA. Tighter 'conditionality' rules should apply, taking into account the role of reasonable excuses and young people achieving Level 3 qualifications who no longer need to participate in education and unwaged training under the RPA.

A 16–18 Youth Allowance

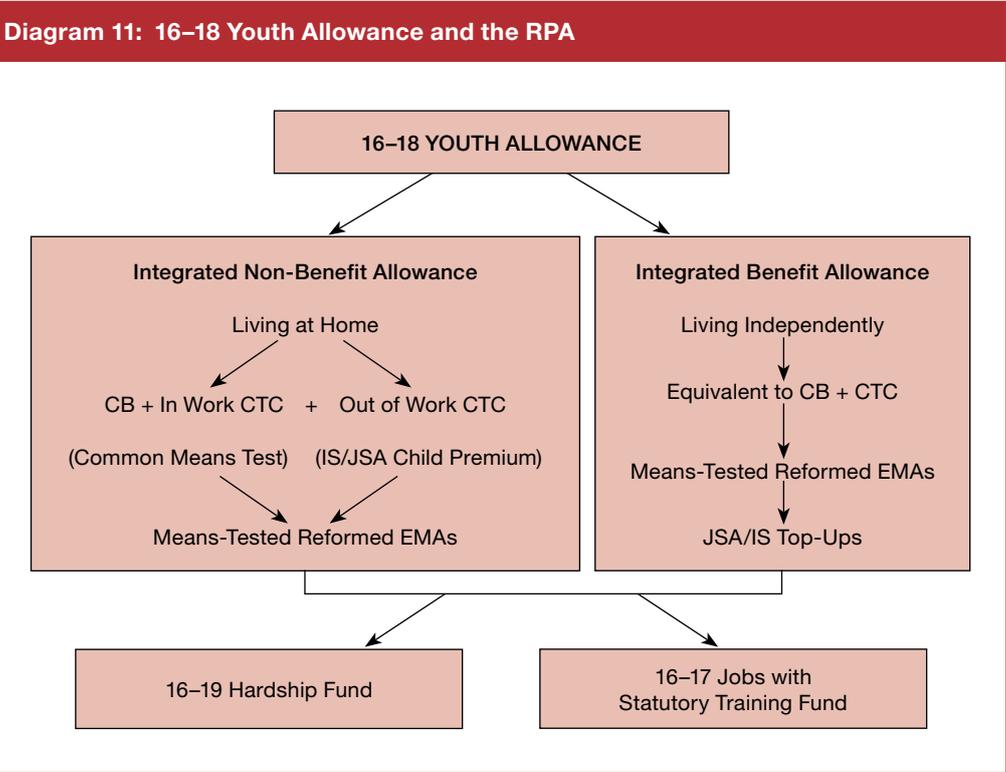
19.18 Another possibility is that the Government might consider implementing a Youth Allowance. Australia is the country that Whitehall has its eye on (see *Supporting Young People to Achieve*, HMT *et al*, March 2004). The Youth Allowance is paid to young people in full-time education, unwaged training and those who are looking for suitable work, including part-time and casual employment. Employed young people including those on apprenticeships receive wages rather than a Youth Allowance. More fundamentally, Youth Allowances are paid to young people rather

than their parents or guardians. In the English context, this would represent a major shift of resources for financial support from parents to young people.

19.19 A key issue in terms of the RPA and financial support is the age overlap. The former would cover young people up to their 18th birthday. The latter covers young people up to their 20th birthday. To be substantial, the Youth Allowance (see Diagram 11) will need to include the main 16–19 child support budgets – Child Benefit (£0.9bn) and Child Tax Credit/Income Support (£1.8bn) – and the main financial support budgets – Reformed EMAs (£0.4bn) and Hardship Funds (£0.1bn) (a figure which is larger than 16–19 Hardship Funds).

19.20 As well as including the largest budgets for 16–19 financial support, a critical issue is whether Child Benefit and Child Tax Credit are separate, with the former remaining non-means-tested and the latter remaining means-tested, or whether they are integrated based on a common means test. Another critical consideration of any move to a Youth Allowance encompassing Child Benefit and Child Tax Credit is the extent to which making payments directly to students unintentionally encourages young people to live independently rather than at home. The Treasury will not want to see a Youth Allowance encouraging young people from high-income households which currently receive only Child Benefit to view the Youth Allowance as a way of living independently with the possibility of claiming Income Support. This would increase public spending on financial support.

19.21 There is no case for assuming that all young people should receive financial support under the Youth Allowance. Given that young people from higher-income households stay on in education and training anyway, there is a case for an integrated Youth Allowance combining Child Benefit and Child Tax Credit with a common means test.



Source: The author

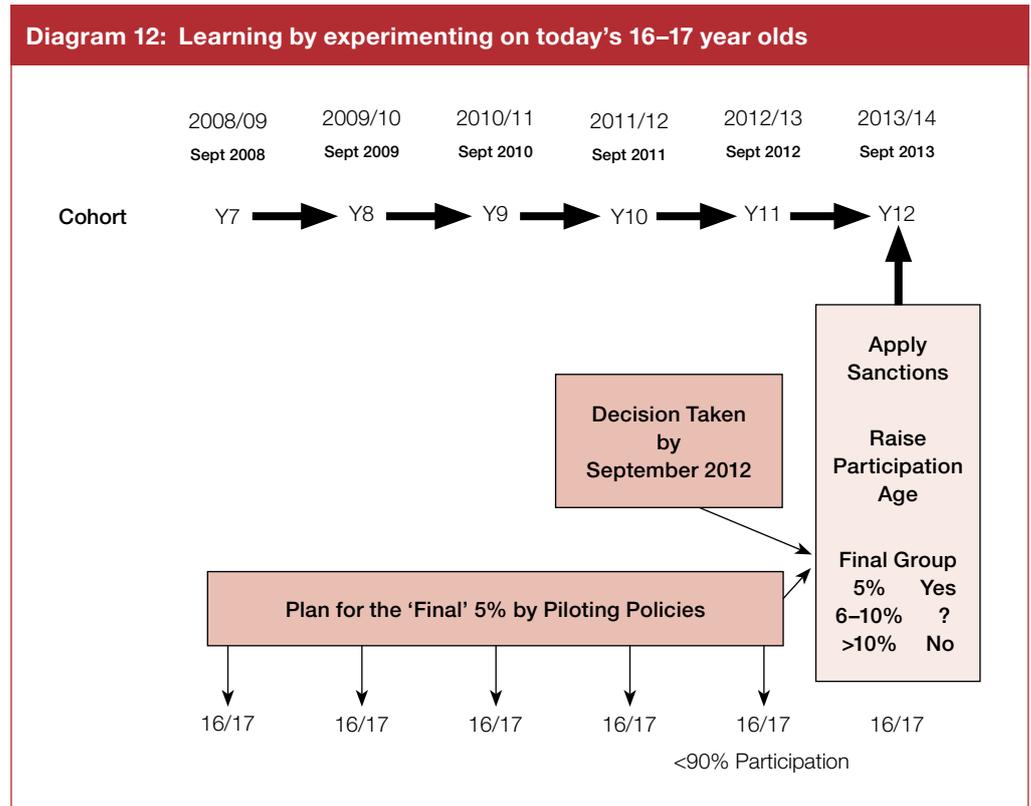
“...more time is available to pilot policies which increase participation by 16 and 17 year olds today but ultimately inform the support system for the final 5% by 2013.”

20. Planning for the final 5%

Time to learn

20.1 There are three key advantages of keeping to the timetable of raising the participation age to 17 in September 2013 (see Diagram 12). The first is that more time is available to reduce non-participation as close to 5% as possible. This will be no mean feat since on current rates of increase non-participation could be around 8% and indeed higher if youth unemployment is not tackled. The second is that more time is available to design and implement radical reforms linked to Year 12 in 2013 such as the national entitlement of 16–18 Diplomas and reform of 16–18 financial support. And the

third advantage is that more time is available to pilot policies which increase participation by 16 and 17 year olds today but ultimately inform the support system for the final 5% by 2013. Indeed, the Activity Agreement pilots, Learning Agreement pilots, Third Sector pilots and the Entry to Learning programme (see Box 9 above) are as much to do with learning about the offer for the final 5% as they are to do with assisting disadvantaged 16 and 17 year olds today.



21. A gateway for Year 12 in 2013

16–17 Gateway and the RPA

21.1 By September 2013, a gateway to participation in education and training will need to be in place to meet the needs of the new Year 12 when the participation age is raised to 17. By September 2015, the gateway will need to cater for Year 12 and the new Year 13 when it is raised to the 18th birthday (see Diagram 13).

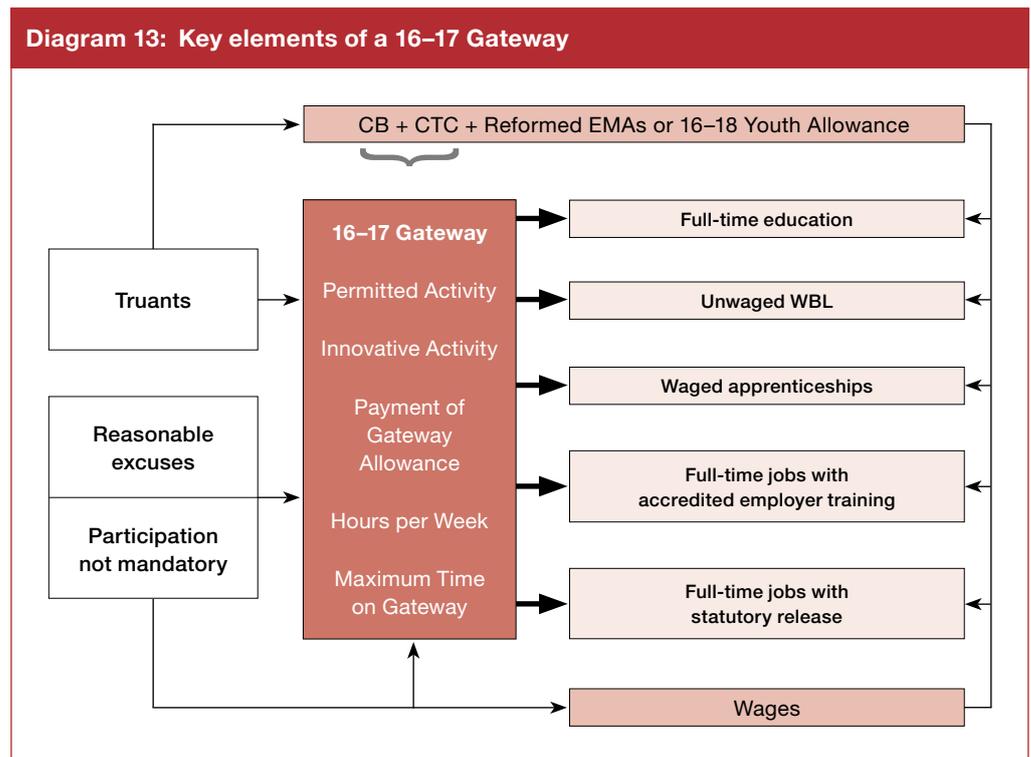
21.2 Essentially, the gateway must assist two key groups. The first is the final group of 16 and 17 year olds who are expected not to participate in education and training, which was projected to be 5%, could be 8% on current extrapolations excluding the consequences of recession and the positive effects of a 16–17 Jobs and Skills Strategy but must not be more than 10% otherwise the RPA might not go ahead. Within this final group of non-participants, the gateway will need to assist two sub-groups, namely those who will have reasonable excuses not to participate and those who are truants. The second group will be 16–17 year olds in

education and training from September 2013 and September 2015 but who subsequently leave and who need to enter the gateway to avoid becoming truants.

Learning from today's 16–17 year olds not in education and training

21.3 Keeping the RPA on track with an implementation date of 2013 at 17 and 2015 at 18 provides policy makers with time to learn about the needs of young people not in education and training, including their **personal needs** as well as their educational needs. Similarly, policy makers have time to learn about **what works** in meeting the personal and educational needs of young people not in education and training today. In addition, pilots can be devised to inform how the needs of 16 and 17 year olds not in education and training can be met when the RPA is introduced. Nonetheless, pilots can never fully replicate rules and processes which will operate when the RPA is actually introduced. Furthermore, the **characteristics and needs of 16–17 year olds not in education and training today** will not fully mirror 16–17 year olds when the RPA is introduced, bearing in mind the potential of the

Diagram 13: Key elements of a 16–17 Gateway



legislation to change the attitudes of today's Year 7 who will enter Year 12 in 2013.

Permitted activity under the gateway

21.4 The Government has recognised that every 16 and 17 year old without a Level 3 by their 18th birthday might not be ready to study a unit of an accredited qualification in full-time education or as part of a full-time job. This includes the new Foundation Learning Tier for **below Level 2** qualifications and accredited employer training linked to the new QCF. Rightly, therefore, participation under the RPA must be broader than accredited education and training. At some stage, the type of activity which will count under the RPA – other than accredited education and training – will need to be defined. To avoid confusion, permitted activity should be linked to attendance on the gateway and providers delivering gateway provision. However, the type of permitted activity must reflect on the one hand the operation of the participation age and the statutory right to release, and on the other hand, the personal and educational needs of the final 5% of 16 and 17 year olds who might not participate.

21.5 A good example of how the operation of the legislation will have an impact over and above pilot activity is job search. Looking for a job could be a permitted activity for 16–17 year olds on the RPA. But whereas looking for and finding a job with training is counted as a positive outcome under Activity Agreements (see Hillage *et al*, DCSF, November 2008), the outcome under the RPA is much narrower. Job search must be **geared to finding** either a job of 20 hours or more with accredited employer training or statutory release, a waged apprenticeship or a job of less than 20 hours linked to full-time education of 16 hours or more per week. Indeed, whereas the Australian Youth Allowance is payable to young people looking for part-time work, temporary and casual, under the RPA young people must look for full-time jobs with accredited training or apprenticeships to guarantee payment.

21.6 Another example is the definition of **reasonable excuse** for not participating in gateway activities under the RPA. A very broad definition could define the problem

of the final 5% almost out of existence. A very narrow definition could compel some young people with broader personal barriers to participate in the gateway. Teenage pregnancy and homelessness are often used as examples of reasonable excuses. The expectation is that once accommodation is found, and a teenage mother has had a period of time looking after her child, these young people must enter the gateway.

21.7 More problematic, however, will be 16–17 year olds who have physical disabilities, mental health problems or special learning needs. The answer is that these young people should be excluded from being **required to participate** in gateway activities but educational and personal provision should be available from mainstream providers.

21.8 In relation to the final 5% of 16 and 17 year olds – excluding those who are not required to participate in the gateway – five characteristics emerge from the analysis of present participation trends and national evaluations. Firstly, the vast majority could be 17 year olds rather than 16 year olds. Second, many will have spent a year in full-time education before dropping out. Third, a significant proportion, perhaps 30%, will have a Level 2 qualification. Fourth, a significant proportion of the final group of 17 year olds might be in Jobs without Training. And fifth, a significant proportion will have personal as well as educational barriers to enter accredited education and training.

21.9 Certainly, there is a strong case for the definition of **permitted activity** under the gateway to be sufficiently broad to meet the needs of the final 5%, and innovative to engage the hard to reach. Evaluation of the Activity Agreement pilots (see Hillage *et al*, November 2008) which focused on long-term NEET (i.e. more than 20 weeks) found that only 20% of eligible NEET young people took part (although this is thought to be an underestimate) and, more importantly, they seemed to be the easiest to reach. The national evaluation states that young people who started agreements tended to be younger compared with non-participants, which is a problem for the RPA since a large proportion of the final 5% could be 17. They were also

“More generally, policy makers might gain insights into the type of provision and programmes to assist disadvantaged young people within the gateway by reviewing youth employment and skills initiatives from the 1970s onwards.”

less likely to be well educated, again signalling an issue under the RPA because a significant proportion of 17 year olds could have a Level 2 and might have had enough of full-time education and, therefore, decide to truant if more of the same is the only offer to them. The other dimension is that the average cost of supporting the final 5% will be greater than the average cost of the 95% already participating. This is because their needs are so much greater and diverse (see Fletcher *et al*, CfBT, February 2007). **More generally, policy makers might gain insights into the type of provision and programmes to assist disadvantaged young people within the gateway by reviewing youth employment and skills initiatives from the 1970s onwards.**

Payment of a Gateway Allowance

21.10 A key finding from the Activity Agreement pilots is that young people not in full-time education and unwaged training require the payment of an allowance to participate in activities. Indeed, the higher the allowance, the greater the take-up of AA services. The read-across to the RPA is that a Gateway Allowance will be required. Unlike AA allowances, however, a **Gateway Allowance** should be means-tested in the same way as reformed EMAs. In addition, they should be set at a lower rate at 16 and 17 to facilitate progression from the gateway to mainstream education and training. The evidence from the Activity Agreements buries the case for abolishing EMAs under the participation age (see Sam Freedman and Simon Horner, *School Funding and Social Justice: A Guide to the Pupil Premium*, Policy Exchange, October 2008).

Less than 16 hours per week on the gateway

21.11 Unfortunately, the national evaluation of Activity Agreements is less informative over the number of hours young people participate under their agreement. Apparently, there are

no fixed hours for participation under Activity Agreements. By comparison, under the RPA every young person not in a full-time job of 20 hours or more with accredited training or statutory release must participate in education and training of 16 hours or more. Policy makers need to think more than once about whether the final 5% on the gateway will be willing to attend gateway services of at least 16 hours. Many of these young people might not cope with **two and a half days full-time activity**. Some might resent doing so and become truants. On the other hand, this group of young people have the same duty to participate for some time each week as their peers in formal education and training. **Future pilots of Activity Agreements should pilot a minimum of 14 hours' activity equivalent to two days per week at 7 hours per day.** This would be useful to inform the minimum number of activity hours with respect to the gateway.

Minimising the length of stay

21.12 The aim of the participation age is to maximise the number of 16 and 17 year olds participating in education and training. The gateway is intended to re-engage young people into formal learning as quickly as possible wherever possible. To this extent, the emphasis is on minimising the length of stay on the gateway and facilitating progression onto mainstream education and training options. By allowing indefinite lengths of stay on the gateway, there is a danger of defining away the problem of those young people not in education and training. They could simply participate indefinitely in permitted activities other than education and training. This needs to be avoided. So too, however, does the scenario of the revolving door. Young people might be pushed into mainstream education and training only to drop out and flow back onto the gateway. **Overall, there is a strong case for examining the lessons from the gateway in DWP New Deal programmes to inform the participation age of the gateway.**

22. A strengthened system of part-time HE by age 20

Progression into full-time higher education by age 20

22.1 Progression into higher education by age 20 is dominated by progression into full-time higher education. 95% of participation in HE by age 20 is full-time (see Diagram 14). Moreover, nine tenths of 17–20 year olds in full-time HE enter full-time ‘first degrees’ (three-year undergraduate degrees) rather than full-time ‘other’ undergraduate qualifications (vocational sub-degrees including Foundation Degrees) (see Mark Corney and Mick Fletcher, *Higher Education and the Cuckoo in the Nest – Getting beyond the fixation with full-time study by young people*, Campaign for Learning, December 2008).

Level 3 achievement and progression into full-time HE by age 20

22.2 Around 48% of 19 year olds achieve a Level 3 qualification by 19. More specifically, 38% of 19 year olds with a Level 3 by age 19 had achieved two A levels A–E. Furthermore, over nine tenths of the 38% of 19 year olds

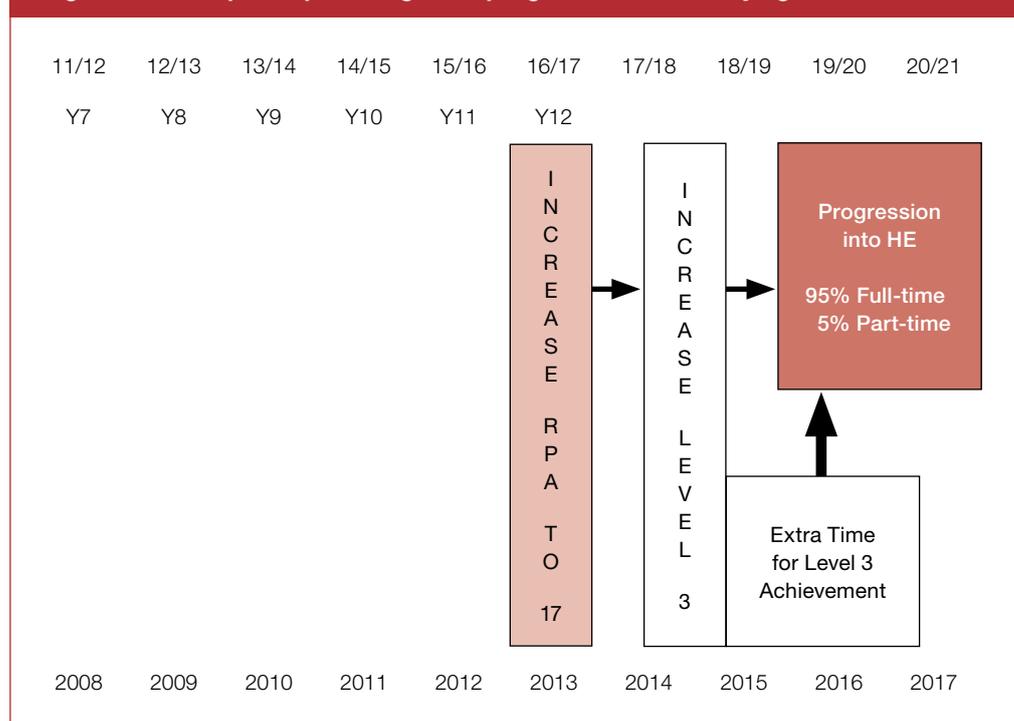
with A levels enter higher education by age 20 and in turn predominantly enrol on full-time first degrees by age 20.

22.3 By contrast, only 10% of 19 year olds with a Level 3 qualification by 19 hold a vocational qualification at this level. Furthermore, fewer than half of them enter higher education by age 20, which is, of course, dominated by full-time ‘first degrees’. There is limited progression from vocational Level 3 qualifications to full-time ‘vocational sub-degrees’ by age 20.

The pull effect of full-time HE by age 20 on staying on post-16

22.4 Full-time higher education by age 20 exerts an enormous pull effect on staying on in full-time further education between 16 and 19. Those on the so-called royal route of GCSEs, A levels and full-time higher education by age 20 do not think twice about staying on post-16 because it is the only way to reach the ultimate destination of entry to university.

Diagram 14: The participation age and progression into HE by age 20



“...the expectation by the Labour Government is that progression will be from Advanced Diplomas into full-time HE by age 20.”

The RPA, Level 3 achievement and full-time HE by age 20

22.5 Some commentators believe that raising the participation age to 17 and then to 18 in 2015 could have an important impact on demand for higher education. A report by Bahram Bekhradnia and Nick Bailey for the Higher Education Policy Institute on demand for HE to 2029 (December 2008) identifies that a large proportion of 16 year olds with seven or more GCSEs A*–C failed to progress to a Level 3. Bekhradnia and Bailey state that ‘*These are pupils in the top 50 per cent of achievers at GCSE. There is no good reason why the majority of them should not continue their education to a higher level. Indeed, it is one of the least satisfactory aspects of our education system that such a proportion of young people do not go on to achieve Level 3 qualifications, and it is this that the Government is tackling with its new requirement for young people to continue to receive education and training to 17 and then 18.*’

The RPA, A level achievement and full-time HE by age 20

22.6 Of course, Bekhradnia and Bailey point out that it is A levels which fuel demand for full-time HE by age 20. And so, the authors are hoping that the RPA will change the attitudes of 16 year olds with seven or more GCSEs at A*–C who do not stay on in school sixth forms and sixth-form colleges to do A levels, given that they must stay in some form of education or training.

The RPA, Advanced Diplomas and full-time HE by age 20

22.7 In addition to encouraging more 16 year olds with good GCSEs to stay on and take A levels to facilitate progression into full-time HE by age 20, the Labour Government has developed Diplomas. At the same time as raising the participation age in 2013, the Government is planning a national entitlement to Diplomas for every 16 year old. Diplomas are expected to increase Level 3 achievement by two different groups of 16 year olds in 2013. On the one hand, there will be 16 year olds with five good GCSEs A*–C who prefer to progress to an Advanced Diploma rather than take A levels. On the other hand, there will be 16 year olds without five good GCSEs A*–C who will take a Level 2 Diploma and then stay

on until 19 to achieve an Advanced Diploma. **In each case, however, the expectation by the Labour Government is that progression will be from Advanced Diplomas into full-time HE by age 20.**

16 year olds without a Level 2 who achieve a vocational Level 2 by 17

22.8 At present, there is a significant fall in participation in full-time education from 16 to 17. It appears that many 16 year olds without a Level 2 enter full-time education, enrolling at a FE college rather than a school sixth form, achieve a Level 2 by 17 and then leave full-time education hopefully to find an apprenticeship or a job. More specifically, 16 year olds enrol on vocational qualifications to achieve a Level 2 by 17 and then leave to find a job.

Progression to vocational Level 3 and the RPA

22.9 Clearly, progression from vocational Level 2 to vocational Level 3 by young people is limited. Under the RPA, however, such progression is essential. If full-time jobs with statutory release or apprenticeships are restricted when the RPA is introduced, 16 and 17 year olds must be encouraged to stay on to enrol on full-time vocational Level 3 programmes since if they leave full-time education they would become truants.

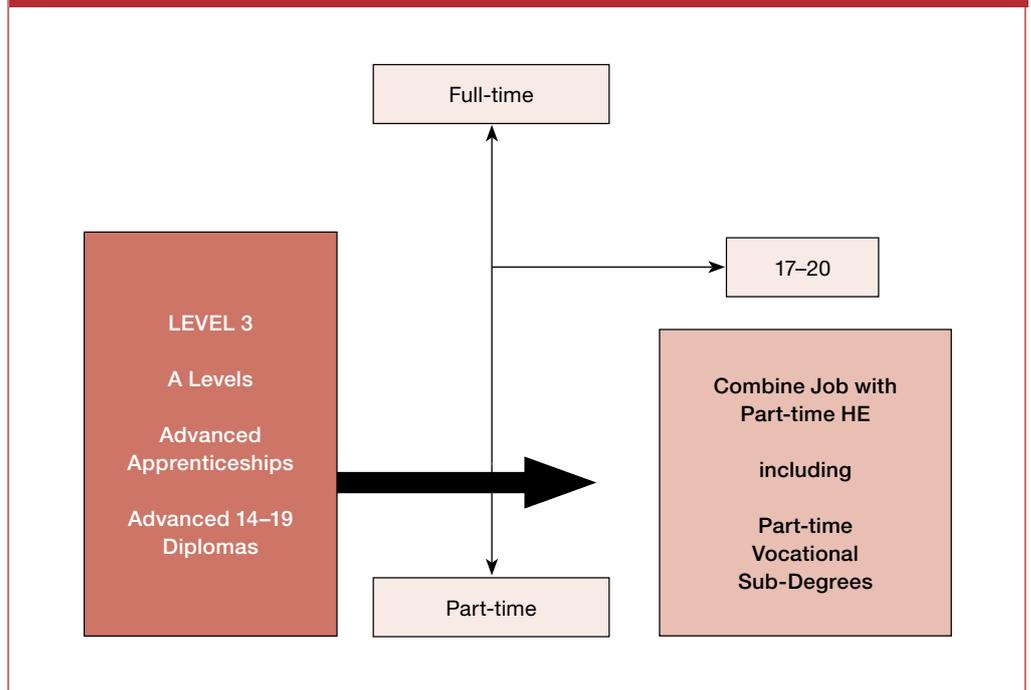
Creating a pull effect by progression into part-time HE by age 20 from vocational Level 3

22.10 Participation in education and training under the RPA might be increased if the pull-effect of entry into HE by age 20 was as strong for the vocational pathway of vocational Level 2 and Level 3 qualifications as it is for GCSEs and A levels. And yet, the pull effect under the RPA is more likely to be into part-time HE by age 20 rather than full-time HE by age 20 (see Diagram 15 below). Consider, for example, a young person with an Advanced Apprenticeship who wants to progress into HE by age 20. They are unlikely to give up a wage in return for studying full-time and taking out fee and maintenance income contingent loans worth £7,000 per year. Similarly, young people achieving Advanced Diplomas may also reject the notion of another two or three years of full-time study and wish instead to combine a job with part-time HE by age 20. But to combine

a job with part-time HE requires financial incentives to employers and students to cover the cost of up-front fees, financial support and time off from work to study. In turn, this requires action to create a level playing field for

incentives between 17–20 year olds in full-time and part-time HE (see Mark Corney, 'Four more steps on vocational route', FE Focus, *The Times Educational Supplement*, 30 January 2009).

Diagram 15: Pathways into Part-time Higher Education by age 20



“The best compromise is the term statutory ‘learning leaving age’.”

23. From participation age to learning leaving age

Participate in what?

23.1 Effective communication is essential to delivering a successful policy. The government of the day must say what it means and mean what it says. Without clear language, a future government will struggle to ensure that the participation age will galvanise the whole system so that all young people can achieve.

23.2 The term statutory ‘participation age’ conveys nothing to young people, parents, providers and employers. The term statutory ‘leaving age’ is hardly clearer. Participating in what, or leaving what, are legitimate questions (see Box 14 below). A consequence of failing to define the policy sufficiently clearly in its title is the creation of a window of opportunity for its critics to wilfully misinterpret the policy. **The policy is definitely not to raise the statutory school leaving age.**

23.3 The shortcoming of the term statutory ‘education age’ is that it leans towards signalling participation in schools and even if this is seen to be unfair on the grounds that young people

stay on in education in FE colleges, there is no reference to vocational education or indeed vocational training. A compromise might be the term statutory ‘education and training age’. And yet, this title could be interpreted as emphasising education and occupational training but missing vocational education.

Raising the learning leaving age

23.4 The best compromise is the term statutory ‘learning leaving age’. It is neutral between institutions – schools, colleges, work-based learning providers and employers – between the type of provision – academic education, vocational education and occupational training. The term could be misconstrued as symbolising the end of learning at 18 rather than projecting the need to learn beyond 18, but the difference between learning and lifelong learning is easy to grasp. Similarly, the point that the term ‘participation age’ includes attendance on accredited activity other than recognised qualifications is disingenuous. The ultimate objective is to maximise the proportion of young people studying for recognised qualifications – or units of recognised qualifications – and not attendance on other accredited activity.

BOX 14: What to call it?

- The statutory participation age
- The statutory leaving age
- The statutory school leaving age
- The statutory education leaving age
- The statutory education and training leaving age
- The statutory learning leaving age

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