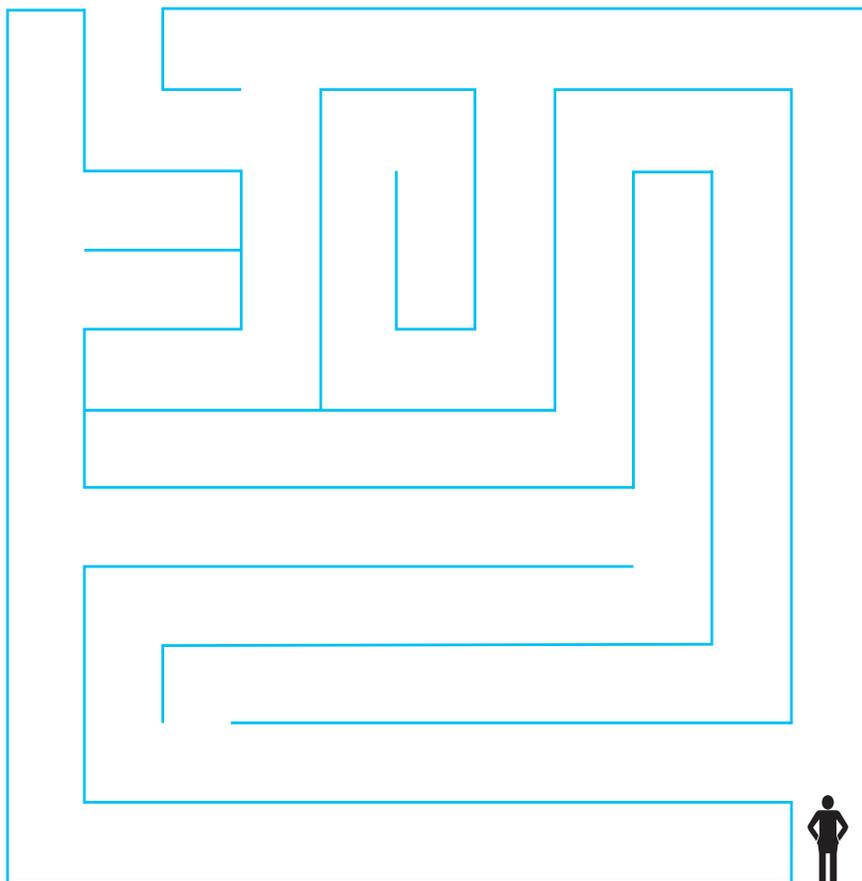




Private sector provision of employment services for young adults at risk

**A Social Market Foundation report
for the Barrow Cadbury Trust**

By Matthew Dodd and Vidhya Alakeson



The Social Market Foundation

The Foundation's main activity is to commission and publish original papers by independent academic and other experts on key topics in the economic and social fields, with a view to stimulating public discussion on the performance of markets and the social framework within which they operate.

The Foundation is a registered charity and a company limited by guarantee. It is independent of any political party or group and is financed by the sale of publications and by voluntary donations from individuals, organisations and companies.

The views expressed in publications are those of the authors and do not represent a corporate opinion of the Foundation.

Chairman

David Lipsey (Lord Lipsey of Tooting Bec)

Members of the Board

Viscount Chandos

Gavyn Davies

David Edmonds

John McFadden

Brian Pomeroy

Acting Director

Ann Rossiter

First published by
The Social Market Foundation, 2005

The Social Market Foundation
11 Tufton Street
London SW1P 3QB

Copyright © The Social Market
Foundation, 2005

The moral right of the authors has been
asserted.

All rights reserved. Without limiting
the rights under copyright reserved
above, no part of this publication may
be reproduced, stored or introduced
into a retrieval system, or transmitted,
in any form or by any means (electronic,
mechanical, photocopying, recording,
or otherwise), without the prior written
permission of both the copyright owner
and the publisher of this book.

Published with the kind support of the
Barrow Cadbury Trust



Contents

1. Introduction	4
2. Context	6
3. Methodology	8
4. Summary of existing private sector schemes	10
(i) National Grid Transco	10
(ii) Toyota	15
(iii) Marks & Spencer	18
(iv) Ford	21
(v) Forest Bank in partnership with local businesses	23
(vi) United Utilities	25
(vii) Tesco	27
(viii) Other schemes	29
5. Analysis	30
6. Barriers to business involvement in the employment of young adults at risk	32
7. Recommendations	39
8. Appendix	42

1. Introduction

This is a report prepared by the Social Market Foundation for the Barrow Cadbury Trust Commission on Young Adults and the Criminal Justice System. The report looks at private sector-led employment, training and work experience programmes for young people either at risk of offending or those who have already committed an offence, between the ages of eighteen and 25. This includes employment schemes run directly by an employer and those funded by the private sector but provided in partnership with voluntary sector providers.

In general, this area of provision is characterised by a distinct lack of published information. Many young offender institutions (YOIs) can be said to have both informal and formal connections with the private sector locally, but there is not, as yet, any coherent record or analysis of these partnerships. Of the larger schemes that have been written about, only very basic evaluations exist. There are very limited facts regarding the numbers entering schemes, the numbers dropping out of schemes and the outcomes for those who have completed the schemes. There has not been a single successful attempt to record the profile of participants, regarding ethnicity, gender or socio-economic status.

The research divided into three sections. First, we undertook a review of existing schemes and, where possible, drew conclusions about their effectiveness. The lack of formal evaluation of schemes means that informed judgement has had to take the place of evaluation evidence in many cases. Second, we identified barriers to engaging more employers in provision for young people at risk. Third we developed recommendations for policymakers and business to promote the contribution of the private sector in this area.

The report is based on a thorough review of published material relating to existing programmes and of literature relating to the employment of young people at risk. In addition, interviews have been conducted with companies currently operating schemes, business representatives, officials from the Home Office and relevant not for profit organisations. Full details are contained in the methodology section.

2. Context

Government recognises the high cost to the individual and society of both social exclusion and offending and has put in place a series of interventions to support young people at risk since its election in 1997. Almost all of these have focused on young people up to, and sometimes including, the age of eighteen. However, very little provision has been made for young adults between the ages of eighteen and twenty one, despite there being a clear body of evidence suggesting that many in this age group have not reached maturity, even though they have reached adulthood for all legal purposes.

Specifically, the literature draws a distinction between life course persistent and adolescence limited offenders. While a small number of offenders continue to commit crime, the majority of young people desist from offending as they move into adult life. Different patterns exist for men and women. Young female offenders tend to have ‘grown out’ of crime by the time they reach their mid-twenties. For men, their offending behaviour tends to tail off more gradually ending by their mid to late twenties.¹ From a criminological perspective then, young people tend to reach adulthood in their mid to late twenties.

The significance of targeting young adults is apparent when it is considered that 42 percent of all first offences are committed between the ages of eighteen and twenty.²

1 C Flood Page et al, *Youth Crime: Findings from the 1998/1999 Youth Crime Survey* (London: Home Office, 2000)

2 *Reducing Re-offending By Ex-prisoners* (London: Social Exclusion Unit, 2002)

3 *Ibid*

4 Mohibur Rahman, Guy Palmer and Peter Kenway, *Monitoring Poverty and Social Exclusion 2001* (York: Joseph Rowntree Foundation, 2001)

5 Social Exclusion Unit op cit

6 *Ibid*

7 *Reducing Reoffending Action Plan*, (London: Home Office, 2004)

8 Richard Dorsett, *The New Deal for Young People: Effect of the options on the labour market status of young men*, (London: Policy Studies Institute, 2004)

The significance of targeting young adults is apparent when it is considered that 42 percent of all first offences are committed between the ages of eighteen and twenty.² By focusing on this group, many individuals who would have gone on to become repeat offenders can be re-integrated into society before they receive a criminal record.

Being in employment is regarded as one of the most significant factors in preventing disadvantaged young people from becoming involved in crime or re-offending. The link is clear: the most recent figures on the rate of unemployment among young offenders shows that 63 percent of them had no job when they were convicted.³

For many socially excluded young adults, particularly those who have been in contact with the criminal justice system, gaining fulfilling employment is extremely challenging. Young people in general are already less likely to be in employment, with a young adult being twice as likely to be unemployed as someone aged over 24.⁴ Furthermore, social exclusion during childhood results in a lack of qualifications – 72 percent of young offenders having been excluded from school at some stage – and subsequently leads to a patchy or non-existent work history.⁵

The level of educational achievement among the prison population is shockingly low. In 2002, 52 percent of male prisoners and 71 percent of female prisoners had no qualifications at all. Up to four fifths of prisoners failed to progress past the most basic Level 1 standard in writing and up to two thirds failed to reach Level 1 in numeracy.⁶

There are a large number of governmental and voluntary sector supply side measures in place to help socially excluded young adults and ex-offenders through improving skills, job readiness etc.⁷ However, employers have a particular role to play since they are able to have an impact on the demand side as well. There is a strong body of evidence that experiencing some form of employment or work experience is the most effective way of getting low skilled young people into permanent employment.⁸

research. The full range of possible policy responses has been assessed, including promoting understanding of the business case for involvement; action to alter regulations or legislation which limit employer involvement; mitigating risk for employers and/or sharing risk with government.

3. Methodology

The SMF has conducted an audit of schemes of the type identified above. In deciding which schemes qualify for inclusion, the SMF has drawn on the definition of young adults being used by the Trust's Commission (the eighteen to twenty one year old age group).

In order to establish the full range of schemes in operation, in addition to desk research of published sources, the SMF has contacted a broad range of organisations with links to employers and appropriate voluntary sector partners (see Appendix). The schemes have been audited on the basis of existing literature relating to their operation, as well as interviews with key individuals involved in the provision.

The audit has examined each of the significant schemes in operation, including funding, number of users involved, criteria for involvement in the scheme and facts about each scheme's outputs. Where available, this has included any evaluation that has been conducted.

The second phase of the research has sought to identify business attitudes to employing at risk young adults. This has been conducted through a literature review of current attitudes and interviews held with key employers already involved in schemes, and employers' organisations.

The weight of published information on employer attitudes to, and involvement with, at risk young adults is biased towards larger employers. We have, therefore, used the interviews to provide further information on smaller organisations to ensure an overall balance in the report.

Phase three of the research has identified a range of potential policy drivers to fostering effective employer schemes to assist at risk young adults, based on an understanding of barriers and incentives identified in the previous phases of the

4. Existing private sector schemes

Summary

The number of private sector schemes for young adults at risk is limited and many of those that exist are at an early or pilot stage and have not been extensively evaluated. The table on page 11 summarises the main features of existing schemes. A more detailed description of each scheme follows, including an assessment of its success where possible.

(i) National Grid Transco (NGT)

Overview

The NGT Young Offenders Programme has been running, in various forms, since 1998. Essentially, this scheme has so far consisted of two pilot projects run in a small number of criminal justice institutions, offering training in forklift truck driving and utility maintenance. National roll-out of the scheme is anticipated for later in 2005.

After a *Seeing is Believing*⁹ tour of a youth offenders institution organised by Business in the Community (BiTC), NGT executives decided to pilot a training scheme in partnership with the young offenders' resettlement wing of Reading Prison. There was an extensive planning process, particularly focused on identifying skills that the NGT recruitment procedure was having difficulty finding. Research was also conducted into the sort of structure that would be most conducive to effective training. Forklift truck driving was identified as the most appropriate skill to develop a programme around and NGT provided the training resources. The initial capacity of the

⁹ A Business in the Community initiative which attempts to demonstrate the potential talent on offer within offending institutions by offering tours to senior managers and executives.

	National Grid Transco	Toyota	Marks & Spencer	United Utilities	Ford	Forest Bank	Tesco
Description	Training in forklift truck driving and utility maintenance	Training in motor mechanics	Work placement in Marks & Spencer store	Work placement for offenders eligible for day release	Training in motor mechanics	Training in various skills relevant to local labour demands	Training in retail skills
Setting	YOI	YOI	Community	Community	YOI	YOI	Community
Duration	13 weeks	18 months	2-4 weeks	Undetermined	12-24 weeks	Indefinite	9-12 weeks
Cost	£100,000+	£350,000	Unknown	Unknown	£50,000+	Unknown	Unknown
Formal selection	Yes	No	Yes	No	Yes	No	Yes
Mentoring	Yes	No	Yes	No	No	No	No
Qualification Earned	Yes	Yes	No	No	Yes	Potentially	Yes
Guaranteed job offer	Yes	No	No	No	No	No	Yes
Consider for vacancies	-	Yes	Yes	Yes	Yes	Yes	-
Integrated into recruitment process	Yes	Yes	No	Pilot	Pilot	Partially	Yes
Number gaining jobs through scheme	160+	36	17	0	1-5	6-10	1000+
Proportion of successful trainees found a job	100%	50%	20%	0%	Unknown	<5%	100%

scheme was set at fifty trainees.

By 2002, the pilot was producing enough positive results for NGT to consider broadening the scheme. Again the focus was training young offenders in skills that NGT found difficult to recruit, in this case utilities maintenance. A second partnership with Reading Prison, in cooperation with Advantica and Transco's major contractors, led to the introduction of a gas technician programme. The course lasts for thirteen weeks, with both theoretical and practical elements, the latter being taught in a secure location outside the prison. Prisoners at HMP Wymott and HMYOI Glen Parva can also access the scheme.

NGT is very keen to identify itself as the main driver behind the scheme. NGT funds both the training and the materials needed to produce an effective scheme, as well as coordinating the employment of ex-offenders with its contractors. NGT has also been very active in the day-to-day running of the scheme, the coordination of the training provision and supporting those involved.

The NGT project also incorporates a mentoring system into its process, with offenders receiving support both before and after their training.

Potential benefits

Importantly, NGT decided that the best way of maximising the efficiency of the project was to guarantee a job to all those who completed it. This guarantee marks the NGT scheme out as especially significant. An opportunity to move straight into work upon release is a powerful incentive for young offenders participating in the course.

The offenders train for a NVQ Level 2 gas technician qualification, a transferable qualification which is valued by employers.

Selection

The selection criteria for the NGT scheme are strict. First, the offender must reach the end of his sentence within six weeks of the course being completed and therefore be in the final stages of rehabilitation. Then, in order to maximise the number of successful starters, NGT insists on a rigorous evaluation of each

prospective candidate. The process is made up of two separate assessments, first by the prison service and then by NGT itself. Both processes involve formal interviews and there is also skills testing, including basic numeracy, literacy and physical condition, and a risk assessment. Finally, applicants are tested for drugs. Drug testing continues to occur periodically throughout the course.

Motivation

The motivation behind NGT's partnership with YOIs stems from their identification of young offenders institutions as potentially profitable sources of labour which have, to a large extent, been neglected. Economic conditions have made this sort of innovation more necessary. The rise in employment rates and the rapidly ageing workforce has led to a tightening of the labour market, where young, skilled workers are at a premium. There is a perception that the field of utility maintenance has not been seen as a glamorous enough profession and has failed to attract talented young recruits. The NGT young offender scheme should be seen in this light.

Of course, this does not mean that this sort of initiative has no social purpose or that wider social goals do motivate the company to some degree. However, the rigorous screening of candidates designed specifically to minimise the risk for the company is indicative of the commercial rather than social rationale behind the scheme.

Outcomes

In 2004, NGT reported that over 130 prisoners had completed courses, with around 100 prisoners completing the truck-driving course and 21 young offenders completing an NVQ to qualify as a Level 1 Gas Network Operative. 2005 figures show that over 160 prisoners have now successfully completed an NGT programme in one form or another. NGT hopes to have another 100 people trained by the end of 2006 as it is currently in the process of significantly expanding its operations into fifteen other prisons.

The rate of re-offending reported by the NGT scheme amongst successful candidates is a dramatic improvement on national statistics: seven percent in contrast to a national youth

offender average of around 70 percent. The fact that most participants move straight into employment with NGT helps explain this.

Evaluation

A formal evaluation of the scheme has been carried out by The Smart Company.¹⁰ This points out that the spectacular cut in re-offending rates must obviously be viewed in the context of the scheme's strict selection criteria. Successful applicants will already be close to the job market - motivated to find employment upon release and equipped with basic literacy and numeracy skills – and, perhaps more importantly, not be addicted to drugs. There has been no research which has compared outcomes to a control group, and therefore no way of judging the scheme's true effectiveness.

The idea of this selection process is to target specifically those offenders who are already nearest to the job market and minimise the risk of NGT wasting its resources. There is nothing intrinsically wrong with this approach, provided there is provision for the rest. However, The Smart Company found that that selection process might have been a little 'overcautious' in its decisions.

The fact that NGT identifies the best talent should not detract from the fact that the scheme is very successful at producing employable individuals. The guarantee of a job upon completion, the short length of time taken to complete the course and the support offered by the mentoring programme are all considered key factors in its effectiveness.

The fact that NGT is willing to extend the scheme is in itself confirmation of its value to the company. Furthermore, some of NGT's suppliers, who actually employ the ex-offenders, have started to alter their recruitment process to take account of the steady flow of labour from the scheme. This demonstrates the huge potential that schemes of this type can offer to business and how the mainstreaming of such provision is a realistic goal.

¹⁰ The Smart Company, *CSR in Action: A review of the young offenders programme led by National Grid Transco* (London: Smith Institute, 2005)

(ii) Toyota

Overview

Toyota, in partnership with HMYOI Aylesbury, offers a technician training course to young offenders based within the institution. The scheme has been running since 1998, when Toyota made an initial investment of £350,000. This sum was principally used to equip a workshop within the prison to modern technological standards and a continuing payment of £30,000 per year is made in order to maintain a high standard of tools, material and training methods. The YOI is responsible for providing the premises and the instructors.

The course lasts for eighteen months and three groups of twelve offenders are taught concurrently. This number has recently risen from two groups when a new lecturer was recruited last year.

HMYOI Aylesbury is responsible for the integrity of the scheme but receives considerable support from Toyota: instructors regularly receive two-week update courses to maintain their own technical expertise; access is granted to Toyota's extensive training resources; and the manufacturer provides regular feedback every two or three months during informal quality checks.

Potential benefits

The structure and content of the course virtually mirrors that taught in Toyota's three conventional training centres and the same qualifications are awarded. An inmate can potentially qualify for the Motor Mechanics Technical Certificate NVQ3, recognised by Toyota for employment as a qualified service engineer.

Andy Woodly, head of Aylesbury's workshop, first promoted the idea to car manufacturers as a way of raising the skills training available to young offenders from NVQ Level 2 to NVQ Level 3. Level two, which was previously the maximum qualification available, was not rigorous enough to attract employers and it was recognised that the funding required to provide a higher level of training would have to come from the private sector. The Level 3 Technical Certificate, accredited by the Institute of The Motor Industry, is highly valued by both

Toyota and other car manufacturers.

Recognising the nature of its intake, the Aylesbury course also incorporates additional basic skills training into its programme. Initially there is a focus on numeracy and literacy, before moving onto skills such as CV writing. This section of the course takes up one morning a week. Key skills up to level two in communication, numeracy and working with others are also offered.

Although there is no guarantee of a job, Toyota agrees to consider all those who complete the course for vacancies, and to promote them to their suppliers if a job is not available.

Selection

This course differs from the NGT programme in that the only criterion on which it judges eligibility is that the offender must have sufficient time to finish the course. Because the course lasts eighteen months, a number of young offenders will either finish their sentence or reach the age of 21 and be moved to an adult prison before they have finished their training. Because places are limited, there is a long waiting list, but applying for a place is the only stated criterion for selection.

Motivation

The lack of a formal screening process suggests that Toyota has mixed motivations in running the scheme. The considerable financial investment made in equipping the training centre to a standard that is routinely referred to as excellent implies the pursuit of business interests at the same time as corporate responsibility objectives. By offering excellent facilities, a high standard of training and the potential to reach a high standard of qualification, the manufacturer has shown that it is not simply attempting to recruit semi-skilled workers. Presumably, such a high class facility run by a respected brand could have successfully recruited talented individuals wherever it was built. By building it in a YOI, Toyota has made a clear commitment to developing the prospects of disadvantaged young people, with an expectation that there will be some business benefit.

Outcomes

The fact that the course is relatively long means that a high

drop out rate could reasonably be expected. Furthermore, the lack of cover for absent staff and the frequency of cancelled classes through prison lockdowns means that the course can actually last considerably longer than eighteen months. This can lead to prisoners being transferred to an adult prison or being released before they can complete the course, although they may be given the option to continue in the case of release.

One source claims that around 50 percent of offenders starting the course fail to receive a qualification, although this is not substantiated elsewhere. Lack of motivation and intellectual ability may explain this figure. However, considering the scheme does not stream its applicants, a 50 percent rate of failure should not be considered disastrous.

The latest Toyota figures suggest that 72 young offenders have completed the course, with 36 of them finding jobs with Toyota or in a related business, an employment rate of exactly 50 percent. There are no firm statistics on the number achieving the highest level of qualification, although a 2002 HMI prison report found that three inmates had obtained it in one year, around 8 percent of the total intake.

Toyota reports that applicants studying in the Aylesbury centre have been found to perform on average at least as well as others on national apprentice schemes, on one occasion even out-performing other centres. There is also plenty of anecdotal evidence to suggest that the training programme is successful: a former prisoner recently became 2004 Toyota Apprentice of the Year; Aylesbury graduates are often found to be very high up the list of best apprentices; and one man who arrived on the course entirely illiterate was still able to gain a qualification. Finally, the Adult Learning Inspectorate has awarded the scheme a Centre for Vocational Excellence award.

Evaluation

There is certainly a widespread sense amongst those involved in the scheme that the Toyota course is very successful, at least in terms of providing high quality training. Aylesbury and Toyota frequently receive positive feedback on the high skill and competency level of those they have trained and the performance of the centre as a whole is comparable with conventional training programmes. This is a remarkable fact taking into considera-

tion the level of qualifications of the scheme's intake. Furthermore, the employment rate of those who successfully complete the course compares well to other training schemes.

Where the scheme was felt to let down its applicants, according to the inspection report, was in preparation for work in general.¹¹ Although basic skills training does run alongside the technical aspects of the course, the report found that too little focus was put on the formal procedures of job seeking in the motor mechanic industry and more widely.

11 *Report of an Announced Inspection of HMYOI Aylesbury* (London: HM Inspectorate of Prisons, 2003)

(iii) Marks & Spencer

Overview

A year ago, Marks & Spencer created Marks & Start, the company's flagship community programme. It is currently taking over 2,500 people who face significant barriers to entering employment into its stores for a two or four week work experience placement. Participants include the homeless, disabled, parents returning to work and the young unemployed. For some people, returning to work after a long period means their confidence or skills might be low. Marks & Start aims to give them a chance to enhance both of these as a step into full time employment.

The Young Unemployed Programme, one of the six strands of the Marks & Start initiative, has been in operation since Marks & Start first launched in early 2004, although a trial was undertaken in late 2003. It offers work placement opportunities to young people who are at risk of becoming socially excluded. The rationale is that, given that some young people have no qualifications and no work experience, even a short placement and a positive reference can have a significant impact on their employability.

The youth work placements are run in tandem with the Prince's Trust Team Programme, a scheme aimed at giving young people the skills they need to function both economically and socially. The two week placement is one aspect of the twelve week course, aimed at building a more positive attitude to work among deprived young people. The Prince's Trust is responsible for pre-placement selection and post-placement

support. Marks & Spencer is responsible for providing the trainee with travel expenses, lunch and any relevant clothing. There is also a mentoring scheme through which each trainee is assigned a specific buddy inside the store. The buddy is responsible for the trainee for the duration of the two weeks, including helping to familiarise the trainee with the workplace.

Potential benefits

The work placement alone does not lead to a qualification and there is only a partial emphasis on ultimately applying for a job with Marks & Spencer. However, participants who complete the twelve week Team Programme do receive formal accreditation and a nationally recognised qualification in the form of Wider Key Skills units. The work placement is focused on familiarising people with the expectations of a work environment, building confidence and providing a positive experience to include on a CV. However, impressive candidates are advised that they may be suitable for a job and should apply for a permanent position, though they must go through the normal application procedure and do not receive privileged access.

Selection

Participants for the Team Programme must be aged between sixteen and 25 years old and fall into one of the following target groups: long term unemployed, educational underachievers, offenders or ex-offenders, in or leaving the care system. While there is little selection for the Team Programme, Marks & Spencer operates its own selection for work placements. Marks & Spencer encourages the selection of applicants who are aware of Marks & Spencer as a company or brand and have some ambition of working in the retail sector, or who recognise the benefit of a work placement with a well known high street brand.

Marks & Start does have certain mechanisms that allow flexibility in the selection process. The close supervision of the buddy system, in particular, reduces the risks associated with employing individuals who have suffered more severe difficulties.

Motivation

Marks & Spencer, while willing to hire anyone who is suitable, is trying to develop the employability of vulnerable

people rather than finding an alternative labour market. The company does have a target of twenty percent of Marks & Start participants gaining employment, but this does not apply specifically to Marks & Spencer or its supply chain and can mean employment anywhere. However, the company does feel that the scheme helps widen its pool of potential recruits and improve workforce diversity.

The company derives a range of other benefits from Marks & Start. It helps to motivate employees and the buddy system allows them to develop new skills. In a recent survey, 84 percent of employees who acted as buddies reported that they had learnt new skills as a result of their participation. The programme also enhances brand reputation and can be a positive source of external communications.

Outcomes

Figures for 2004/5 state that 98 young people started and 82 completed placements at Marks & Spencer. Thirteen secured permanent employment with Marks & Spencer and four with other employers within thirteen weeks of the placement. 52 percent found employment within six months. Across the four relevant strands – the disabled, parents returning to work, the homeless and disadvantaged young people, 78 percent who started a placement completed it in 2004.¹²

Evaluation

In terms of finding employment, Marks & Start fares worse than other schemes. However, it needs to be emphasised that the goal of Marks & Start is the provision of experience, not specific skills training. This can be explained by the scheme's evolution from a trial focus on homelessness, where self-confidence and recent work experience are often both in very short supply.

12 Presentation given by Ed Williams, Head of CSR, M&S at the SMF, 19th May 2005

(iv) Ford

Overview

Ford has worked in partnership with Remit, the motor industry's specialist training provider, to develop a course for young people at HMYOI Feltham. Ford provided funds for a workshop within the prison to be equipped to modern technological standards and continues to donate specialist materials and resources. The Learning and Skills Council (LSC) funds the training itself.

The course is run as an Entry to Employment (E2E) course, an initiative developed by the LSC to offer pre-employment support for young people struggling to enter the job market. One of the principle advantages of E2E is the specific personalisation of services and training to suit individual circumstances and needs.

Depending on the offender's level of achievement, the course will last between twelve and 24 weeks.

Potential benefits

E2E courses incorporate basic skills training, job search skills and training up to NVQ Level 1 in Vehicle Valeting and Fast Fit Repairs, although individualisation of provision means that not all young offenders are trained to the same level.

In order to achieve more advanced qualifications, there is an option to continue the training upon release at a local Ford garage. There is no guarantee of a job at the end of the process, although Ford promises that successful apprentices will be given an interview with either themselves or one of their suppliers.

Selection

Anyone is able to apply for the course but the Remit instructors conduct an interview in order to identify the most motivated individuals. A commitment to following a career in mechanics and engineering is seen as a particularly important factor in judging an individual's suitability.

Motivation

Ford/Remit do not seek to train young offenders to a particularly high standard, demonstrating a cautious approach.

Considering Ford has already made a considerable financial investment and the training scheme receives government funding, it seems logical to assume that Ford has some recruitment aspirations. The involvement of professional training provider Remit reinforces this perception. It does need to be acknowledged that the E2E scheme run in partnership with Ford is about preparing offenders for work in general and is not focused on getting a job in engineering in particular.

Outcomes

There is virtually no information available on outcomes from this scheme. However, there seems to be a general view that very few individuals have completed the whole process and gone on to work for Ford.

Evaluation

In evidence presented to the Home Affairs Select Committee, representatives from HMYOI Feltham suggested that the LSC was preparing to cut funding due to a lack of evidence showing successful outcomes, particularly in relation to employment at Ford.

The YOI staff identified the high turnover of prisoners as being the principle factor behind the inability of the scheme to produce consistently positive results. Feltham is particularly susceptible to this: as the largest YOI in Britain it has an annual turnover of over 35,000 young offenders. However, the ability to tailor each course should allow the organisers to circumvent this problem.

(v) Forest Bank in partnership with local businesses

Overview

HMP/YOI Forest Bank is a privately run prison which has built up a reciprocal arrangement with a number of local businesses. The companies pay for workshop facilities, specific to their industry, to be set up within the prison and are then able to recruit from this newly trained labour force. Over 200 people currently work in this way and it seems that each company is responsible for providing for between twenty and 40 prisoners. However, the workshops are not just training centres, they also produce items for manufacturers. There are even various packing operations. In some cases, once a prisoner completes his training, he continues to be based in the workshop.

Companies who are, or have been, involved include:

- ACK Engineering
- QX Motor Components
- Whitecroft Lighting
- Interactive Ventilation
- Gresham's Office Furniture / Dams Office Furniture / Erlam Mckendric Furniture.

Potential benefits

The prison is encouraging the businesses to develop a more qualifications-based approach to its provision. Currently, an NVQ in welding is the only qualification offered through the private sector involvement in training, although this situation seems to be in the process of changing.

In continuing to stay in the workshops, prisoners could be said to be developing a history of work experience which would be recognised by employers.

One of the conditions of the employers' involvement in this scheme is that they must offer an interview to any suitable offender whenever a vacancy in their organisation arises.

Selection

There seems to be very little selection as regards who can enter the programme, although some emphasis is placed on

experience of similar industries. Suitability is determined through a risk assessment by the prison and by an assessment of a prisoner's motivation to enter employment upon release.

Motivation

Given the informal nature of the scheme's design, it is very difficult to establish who is benefiting from the set up. There may be some suspicion that cheap labour is being disguised as training, and that the main motivation for the businesses involved is cost-cutting. Also, in terms of proportion of turnover, the cost of equipping workshops within a prison is far more significant to a small business than it is to a large corporation. There must certainly be some scepticism as to why these businesses are investing in these facilities, particularly when most of them have not put mechanisms in place to begin the recruitment of offenders. Furthermore, social responsibility has less publicity value to small companies.

Outcomes

There is no clear evidence of the outcomes of this process, although certain facts are known. The biggest success is the experience of ACK Engineering which has recruited five ex-offenders in the past eighteen months and, it is claimed, now bases a large part of its recruitment process around the training scheme. Other companies involved have recruited from the prison although exact numbers are not available.

Evaluation

There is clearly scope for this type of operation to develop. A report by Her Majesty's Inspector of Prisons found the training facilities to be of a good standard and identified the fact that young people can enter work directly from prison as being of great benefit to them.

However, the process needs to be absolutely transparent because the scheme as it is currently constituted is open to claims of exploitation, particularly if prisoners are actually manufacturing products. If there is no clear monitoring of outcomes, some prisoners will be working for companies without the prospect of a job or a qualification while being paid only £14 per week.

The organiser of the scheme claims that projects will not be accepted if they result in unemployment for someone else. However, in practice, this cannot be guaranteed. The availability of cheap labour will inevitably lead to redundancies or failure to recruit elsewhere. If employers are to provide facilities to prisons, they must be explicitly designed for training purposes.

(vi) United Utilities

Overview

United Utilities has been piloting a training scheme with HMYOI Thorn Cross since 2003, aimed at recruiting young offenders into their fleet maintenance department. The scheme consists of offering work placements to young offenders by way of day release, both directly within United Utilities and by encouraging placements in other companies in its supply chain. United Utilities works alongside the Thorn Cross mechanic training team, advising the prison on how to maximise the employability of offenders and identifying individuals for work placements. United Utilities has an employee seconded to Thorn Cross responsible for developing the partnership between the two, as well as between the prison and its supply chain.

Potential benefits

There is no guarantee of a job or an interview arising from a work placement at United Utilities, although the possibility of employment is certainly not dismissed altogether. Prisoners can expect to be more employable after work experience at a recognised company. Also, the jobs in which work experience is offered are all entry level jobs where on-the-job training is the most appropriate means of making individuals work-ready.

Selection

Because the scheme is run alongside the Thorn Cross mechanics course, the YOI is responsible for short-listing young offenders for a work placement. Because the work experience is conducted off-site, potential candidates must be considered to be neither a danger to the public nor at high risk of absconding. Motivation to seek employment in the field of vehicle repair upon release is

also an important factor in selection.

Motivation

This scheme appears to be a pilot that is struggling to get off the ground. The company has made no investment in the training process itself, apart from employing an individual to liaise between the company and the prison. It is struggling both to find suitable candidates to employ and ways of securing placements for them. There appears to be little momentum or support for the scheme within the company.

Outcomes

Only eight prisoners from Thorn Cross have undertaken work experience with United Utilities or one of its suppliers through this scheme and United Utilities is seriously considering an offer of full time employment to one of them. There is no further information on outcomes available at present.

Evaluation

Perhaps the most illuminating evaluation of the scheme's performance so far is the role United Utilities sees for itself in the future. At present, this is hanging in the balance, with the CSR department describing the scheme as 'moderately successful'. Having invested money into fostering a partnership with Thorn Cross, one option United Utilities is considering is to continue with work experience placements referred to them by the prison without committing further resources.

United Utilities has suggested that a major disincentive to expanding and integrating its collaboration with Thorn Cross into its broader recruitment strategy is that the scheme is relatively costly. It lacks the financial support from government available to assist in the recruitment of individuals from other socially excluded groups, such as the disabled and the long-term unemployed.

(vii) Tesco

Overview

Tesco community regeneration schemes accompany the building of new stores, typically in disadvantaged urban locations. Tesco's policy is to train and recruit as many new staff as possible from the local community, focusing on vulnerable groups including unemployed eighteen to 24 year olds. The first new store to recruit in this way was in Seacroft, a highly impoverished ward in Leeds, which opened in 2000. The success of the Seacroft pilot has led to the completion or development of at least twelve more projects of this kind. Depending on the size of the store, between 200 and 300 unemployed people are involved in each project.

All the Tesco training and recruitment schemes are partnerships between the local authority, Tesco, Jobcentre Plus and local training providers. Other businesses are occasionally involved. Training usually lasts between nine and twelve weeks and focuses on the development of retail skills and, more generally, on the sort of expectations that are likely to be placed on participants as employees of Tesco. There is also extra assistance for those who lack basic numeracy and literacy skills. The training is funded by various government agencies – Jobcentre Plus, Neighbourhood Renewal Fund, Regional Development Agencies – and supplied through local training providers. Tesco guarantees a job to anyone who successfully completes the training.

Normally, a jobseeker can only continue to claim Housing Benefit if a training scheme takes up less than sixteen hours a week. However, the Employment Service agreed to suspend this rule to allow the schemes to have a better chance of success.

Potential benefits

The major incentive to anyone involved in the scheme is the guarantee of a job on completion of the training. However, the training in basic and work-related skills also increases an individual's employability in general should they choose to leave Tesco at a later date.

Selection

Jobcentre Plus is responsible for compiling a large number of

prospective candidates for Tesco. Different strands of the New Deal, including the New Deal for Young People (NDYP), are used to identify some individuals, while local publicity campaigns allow other suitable individuals who apply to be selected directly. The specific application form used for regeneration stores only requires personal details and an expression of interest in a job and does not ask for previous work history or qualifications.

Tesco provides a preliminary seminar on interview techniques to all applicants, before interviewing and selecting its candidates. Emphasis is consistently placed on trying to recruit people on aptitude, rather than experience or qualifications.

Motivation

Tesco is essentially concerned with developing profitable stores in areas with a high potential for growth. The practice of recruiting from the local community seems to be part of this strategy, principally by giving local residents a stake in the store and also improving Tesco's image. Furthermore, by promoting employment and regeneration in an area where a new store is being developed, Tesco calculates that it may gain financially as overall living standards rise.

Outcomes

Information from stores involved in the early stages of the programme show very positive results. The pilot in Seacroft recruited 240 out of 350 workers from the pool of unemployed people in the local community. In the first five stores to operate this scheme, over 1000 unemployed people gained a job. There is no breakdown of the proportion of young people in the process but, considering they make up one of the four target groups, the number can be assumed to be significant. BiTC reports that the opening of a Glasgow store, part of a community regeneration project, coincided with a 24 percent fall in the local unemployment rate.

From the three stores with information available, the scheme also shows a very healthy completion rate. On average, 86 percent of starters completed the course, with 98 percent still in employment with Tesco six months later.

Evaluation

In terms of Tesco's own aims for the development of profitable stores with links to the local community, it is a definite success. However, certain groups claim that Tesco, by putting local companies out of business, has actually reduced the number of local jobs available in disadvantaged areas. Nevertheless, the rate of employment and retention of disadvantaged groups is very good and the job guarantee is seen as absolutely central to this achievement.

Other schemes

The absence of published evaluations means that several programmes in operation cannot be effectively analysed. Often these schemes will operate within a single specific YOI, meaning that evaluation is conducted internally and informally and not made available to the public. There are a number of such schemes: **Sodexo**, a catering firm, offers kitchen training to individuals at Huntercombe YOI; **Arriva** bus company has links with East Sutton Park YOI; and YOI Thorn Cross produces ornamental items for **Anderton Concrete**. A number of companies have also recently become involved in the rollout of NGT's young offender programme. **AWG** and **Morrison Utilities Services** have both been responsible for employing successful applicants from the scheme, although, again, no published information is available for the retention or success of these individuals.

Information from stores involved in the early stages of the programme show very positive results. The pilot in Seacroft recruited 240 out of 350 workers from the pool of unemployed people in the local community. In the first five stores to operate this scheme, over 1000 unemployed people gained a job.

5. Analysis

Schemes that offer work experience, training and employment for young people at risk can be divided into two broad categories: business driven schemes and social responsibility-led schemes.

Business driven schemes tend to respond directly to the recruitment needs of the company, as typified by the National Grid Transco programme. They are more common in non-consumer facing sectors where the risk of employing this group of young people is perceived to be lower. The schemes are integrated into the company's standard recruitment process, offer training, qualifications and in some cases, a definite job offer. As a result they are highly selective and tend to cater for those young people who are closest to the labour market.

Social responsibility-led schemes tend to be less selective, although all schemes involve some selection in order to protect the employer from undue risk. They are more suited to young people who are less ready for work and require work experience and training in basic and social skills. They are not integrated into the business but are seen as a way of enhancing brand reputation and value through positive social action. This approach to engagement with young people at risk is more typical of consumer-facing sectors such as retail where the perceived risks to the employer are greater. Marks & Start is a good example of this approach.

Both types of scheme offer benefits to the companies involved as well as to participants, although it could be argued that the first type offers more direct benefit. However, this approach is not suitable for all young people at risk, many of whom lack confidence and skills and need to be slowly integrated into the labour market. Therefore, it would appear to be important to maintain a breadth of schemes if they are to serve

the entire population of young people at risk not just those most likely to find employment without assistance.

Within the broad spectrum of schemes available, it is possible to identify features that make programmes more successful, whether they are aimed at the most able or those further away from the job market. These include:

- strong support for the scheme within the company, including a company champion
- close company involvement where training is provided outside company premises to ensure that it is responsive to employer needs in the sector
- partnerships with other companies in the supply chain to provide access to additional employment and training opportunities
- clear focus on gaining new skills and formal recognition of the experience that ensures transferability to other employers through either a qualification or certificate
- close partnership with voluntary sector organisations or youth offender institutions to identify appropriate participants
- clear criteria of what employers provide and expect and what participants receive at the outset to avoid exploitation
- communication and promotion of scheme to other employees
- mentoring from other company employees to support participants
- support for employees involved in mentoring and line managers responsible for programme participants.

6. Barriers to business involvement in the employment of young adults at risk

Businesses project a very uncertain and varied view of employing offenders. A Joseph Rowntree Foundation (JRF) study on employers' attitudes to offenders found confused results. For example, the study found that only 32 percent of employers believed that employing an offender was more of a risk than employing a non-offender, yet 53 percent of the companies in the same survey declared that a prior conviction for theft would automatically bar an applicant from employment.¹³ There seems to be a problem in reconciling theoretical attitudes to rehabilitating offenders and practical issues of trust.

Acceptance of anti-discrimination legislation is not problematic when the issues at stake are not of the individual's own making – race, gender, religion. But, when it comes to protecting ex-offenders, the prospect of granting new 'rights' becomes far more divisive. Certain sections of the media, in particular, fail to accept the idea that prisoners have atoned for their crimes.

From the relevant literature and interviews, the following barriers to business involvement with young adults at risk emerge:

- risk
- public perceptions
- skills and qualifications
- selection
- the benefits system.

14 Jon Atkinson and Matthew Williams, *Employer Perspectives on the Recruitment, Retention and Advancement of Low-Pay, Low-Status Employees* (London: The Institute for Employment Studies, 2003)

15 N. Flynn, *Employers and Offenders: Reducing crime through work and rehabilitation* (London: Chartered Institute of Personnel and Development, 2004)

13 Del Roy Fletcher et al, *Recruiting and Employing Offenders* (York: Joseph Rowntree Foundation, 2001)

Risk

The additional risk, both real and perceived, that businesses face in employing a young person in the at risk category is perhaps the largest barrier to the development of more employer-led schemes.

There is a clear financial risk involved in investing in a young person who has been unemployed for a lengthy period, has no demonstrable skills or no qualifications. There is a strong possibility that the individual will be unsuitable or unable to do the job and a new recruitment process will have to be conducted, leading to additional costs. Furthermore, it is very likely that the employee will have to provide extra supervision and training.¹⁴ This is as a particular problem for small businesses, which are far less able to absorb the extra drain on resources that recruiting from high risk groups poses.

Furthermore, the ability of small companies to offer work placements and work experience to disadvantaged groups is hindered by the increasingly risk averse culture of business practices, expressed through health and safety regulation and higher insurance premiums.

There is also a perception among employers that this group of young people will face additional social problems that will present a serious risk to their employability. The issue of drug addiction is a major barrier to employment but factors such as being a single parent or having suffered mental health problems also tend to make employers very suspicious of an applicant's suitability.

If an individual is known to be an offender, the perceived risk is much higher, although little research exists to confirm this. A criminal record compounds the impression of unreliability and risk and is therefore often used as a simple method of screening applicants.¹⁵ There is no real research on the day-to-day reliability of ex-offenders entering employment. Without clear evidence to the contrary, it is likely that recruiters will assume the worst.

While there are well established rules governing jobs that involve working with children or vulnerable adults, the advice concerning risk assessment of offenders for general employment is not well known. Government guidelines state when a criminal conviction should be considered an automatic bar to

appointment and under what circumstances it is advisable to check for criminal records. Factors that effect these decisions include whether the job involves contact with the public, whether it involves contact with items of high value and whether there is a realistic opportunity to commit crimes in the workplace. For suitable applicants in low risk jobs, it is suggested that a criminal record should not be taken into account.¹⁶

Few employers are aware of this advice and decisions are often based on the nature of the offence committed rather than official guidelines. A JRF survey of recruitment practices found a wide variety of systems in use, with 70 percent of private sector employers stating that they would seek information concerning criminal convictions regardless of whether it was relevant to the job.¹⁷ Since the creation of the Criminal Records Bureau, this information is easily available. Swift checks can be made by employers on any individual's criminal history with no reciprocal obligation on employers not to use this information to automatically disqualify people from employment. Previously, although discrimination against ex-offenders who declared their convictions was widespread, employers were generally less able to identify the large proportion of ex-offenders who failed to disclose their criminal records.¹⁸

Some severe offences will result in automatic rejection from over four in five vacancies.²⁰ This gives little scope for the sort of close consideration of personal circumstances that is key to getting more young offenders into work. However, the need to break the cycle of offending among the perpetrators of these most serious of crimes is urgent.

A JRF survey of recruitment practices found a wide variety of systems in use, with 70 percent of private sector employers stating that they would seek information concerning criminal convictions regardless of whether it was relevant to the job

16 *Recruiting Offenders: A practical guide* (London: Chartered Institute of Personnel and Development, 2004)

17 Del Roy Fletcher et al *op cit*

18 Hilary Metcalf, Tracy Anderson and Heather Rolfe *Barriers to Employment for Offenders and Ex-offenders* (Leeds: Department for Work and Pensions, 2001)

19 *Ibid*

20 *Recruiting Ex-offenders: The employers' perspective* (London: Nacro, 2003)

21 *Ibid*

22 el Roy Fletcher et al *op cit*

Public perceptions

Society's view of disadvantaged young people is very negative. They are routinely described as 'jobs' by the popular press and politicians are keen to use anti-social behaviour as a political tool. Too little has so far been done to engage with this group of disadvantaged youth. Public responses to the employment of disadvantaged young people are a particularly important element in companies' risk calculations.

The problem of public perception is especially prevalent in customer facing organisations. Employment that involves contact with the public is considered to be higher risk than other jobs. There is a tendency for employers to believe that disadvantaged young people do not interact well with mainstream society.

Employers often seem to regard the employment of young offenders as having a potentially detrimental effect on their relationship with staff and clients. Businesses feel that staff may be concerned that they are working with former criminals or resent the company for hiring ex-offenders over 'honest' citizens.²⁰ There are also potential problems should the individual re-offend, undermining the entire process of hiring ex-offenders.

The cultural setting in which employers develop their recruitment and training processes is not one that is conducive to the employment of young offenders. Reports have found that companies who have been willing to operate schemes aimed at recruiting ex-offenders have been unwilling to publicise them, despite the potential benefits to their brand that a healthy CSR policy could provide. Two employers involved in the survey had experienced adverse media coverage as a result of employing offenders: one employer in the retail sector had been criticised for accepting young offenders from the NDYP; while a transport company had been attacked for employing someone with a minor criminal conviction.²¹

This problem of perception also inhibits employers from developing fairer recruitment practices with regards to ex-offenders. The use of equal opportunities policies is now widespread in the business community but the JRF found that only 11 percent of those companies operating such policies made any reference to offenders.²² It is undeniable that ex-offenders

suffer discrimination. But there is no legislation protecting them and little incentive for companies to voluntarily incorporate such protection into recruitment practices. Nacro found that employers were very reluctant to expend resources on what they saw as a minor issue, particularly when they perceived that the public would not be supportive of such a move.

Skills and qualifications

The low-skill manufacturing sector, where young people and ex-offenders have typically found work, is shrinking, while the service industry is becoming the major new provider of such jobs. This presents particular problems for young adults who are likely to lack the basic social skills associated with service sector employment, mainly in regards to communication and presentation.²³ While large companies may have the training programmes already in place to address this problem, smaller companies will be reluctant to invest in certain low skill groups when other applicants will need no support.

A lack of qualifications is also typical of disadvantaged young adults. A poor qualifications record reflects negatively on motivation and the quality of an individual's capacity for work. It also reflects badly on a candidate's reliability.

A lack of skills and qualifications is compounded by a patchy work history, if young people have any work experience at all. A patchy work history is taken to indicate a lack of work-related skills. There is also a perception that being unemployed, particularly in an economy where employment in general is high, is in itself evidence that an individual is not suitable for work. Unemployment is also taken to reflect a lack of motivation to enter and sustain work.²⁴

A major problem facing disadvantaged young adults seeking employment is that reliability is often the key issue for recruiters, particularly for the low skill/entry level vacancies to which they are likely to apply. Poor work histories tend to indicate to employers that an individual has difficulty holding down regular work and adapting to the expectations of employers.²⁵

Selection procedures

At risk young people are often poorly equipped to deal with

23 Mark Liddle, Mick Feloy and Aikta-Reena Solanki *Crime and social policy: offending and employment in greater London* (London: Nacro, 2000).

24 Jon Atkinson et al. *op cit*

25 N. Flynn *op cit*

26 Del Roy Fletcher et al *op cit*

27 *The 16 Hour Rule: Past its sell buy date* (The Foyer Federation, 2003)

standard recruitment processes. This disadvantages them but can also create a barrier for employers as modifications need to be made. For example, Marks & Spencer discovered that participants on Marks & Start tended to fail the first stage of the standard recruitment process as it was conducted over the telephone. The company introduced a face to face interview for Marks & Start participants to ensure that they were not disadvantaged.

For smaller employers who are more reliant on informal networks and personal recommendations for recruitment, recruiting young people at risk poses an additional cost as these methods are not appropriate. They are unlikely to have the same network of contacts as people who have been in sustained employment and they are also less likely to be able to provide personal recommendations.²⁶

Many young people in this group need to be judged on a personal assessment based on motivation and willingness to learn rather than on the basis of standard recruitment criteria such as qualifications and work experience. This requires additional training for recruiters and managers and can be more costly than standard procedures.

The benefits system

There are three features of the benefits system that act as barriers to the further development of employer-led schemes.

First, individuals over the age of nineteen cannot take part in more than two weeks of work experience without losing their entitlement to Housing Benefit and/or Job Seekers Allowance (JSA). This prevents employers offering longer periods of experience that could allow for greater personal development and skill acquisition.

The second feature is the 'sixteen hour rule'. An individual loses his entitlement to Housing Benefit if he enters education or training that takes up more than sixteen hours per week.²⁷ This prohibits benefit claimants from undertaking full time study or training. The support that does exist for full time study outside higher education, for example the Adult Learning Grant, is not adequate to cover living costs. This significantly hinders the ability of private sector employers to offer useful training to disadvantaged young adults, although

Tesco is the notable exception to this. There has been extensive criticism of this system, which represents a serious barrier to the ability of disadvantaged young adults to gain new skills.

Housing Benefit is the highest benefit offered by the state and represents the ability to secure accommodation. Fear of losing such a vital means of support is a huge psychological obstacle for anyone considering entering training.

Third, the benefits trap also makes it difficult to attract young adults on to training schemes. The standard economic analysis of the benefits trap is that people will make rational calculations about their income on benefits and compare this to the amount they would receive in work and will only enter work if their earnings are considerably higher than before. The government has used in work benefits such as the working tax credit to make low paid, low skill work more attractive. Crucially, given the government's decision to prioritise families with children, the Working Tax Credit does not apply to people under the age of 25 unless they are disabled or care for a child.

For disadvantaged young adults this is a particular concern. Entry into unglamorous, low paid work provides young people with little financial incentive to move off benefits. This may be accentuated by the fact that some may already be involved in crime to supplement their income.

7. Recommendations

Combining analysis of the schemes currently in existence and the barriers to greater business participation in employment for young people at risk, the SMF puts forward the following recommendations for policymakers and the business community. These are intended to promote greater business involvement in employment and work experience schemes for young people at risk.

Policymakers

i) Facilitate matching of young people at risk with employment opportunities

There is a role for government in facilitating the matching of young people at risk with employment opportunities. This could take several forms. At a national level, the Home Office could provide a service for large employers, enabling them to build relationships with young offenders' institutions and voluntary sector partners. At a more local level, parole officers could act as personal advisers, identifying the skills profile of young offenders and signposting them to training, employment and work experience opportunities in the local area. This would overcome some of the difficulties young people at risk face at selection because they lack formal qualifications and skills.

ii) Extend New Deal entitlements to employment schemes for young people at risk

Employers who take on New Deal participants through the subsidised work option receive government money on account of the additional risk they incur. However, employers that operate schemes outside the framework of the New Deal are not entitled to any subsidies even though they incur similar risks and, in the case of young offenders, potentially greater

risks. Subsidies should be extended to employers that offer long term employment programmes. Short term work experience would not be eligible for government subsidy.

iii) Make new entitlements to training more flexible

From 2006/7, all adults who do not have a level two qualification will be entitled to free tuition and additional support of £30 per week through the Adult Learning Grant. At present, this is an individual entitlement. Greater flexibility in the payment of this entitlement would allow employers to claim an additional subsidy from government where training is provided to young people in custody free of charge. Greater awareness of how employers could benefit from government training provision could create additional incentives for employer-led schemes.

iv) Adjust the benefits system to encourage longer work placements

Adjusting the current system to allow benefit claimants four rather than two weeks work experience would provide a significant boost to participants and employers. Experience from schemes such as Marks & Start shows that participants benefit far more from a four week placement than a shorter two week one. For employers, the cost benefit of recruiting and training each individual participant improves if the scheme runs for a longer period of time.

v) Small Business Service to offer advice to SMEs

An advice service run through the DTT's Small Business Service would provide much needed support for smaller companies. They face greater barriers to employing at risk groups but are an important part of the picture. While national employer-led schemes are valuable, linking youth at risk to opportunities in smaller, local businesses is equally important.

vi) Invest in evaluation

Evidence of the impact of employer-led schemes for young people at risk is limited. Many schemes have not been rigorously evaluated, making it difficult to draw firm conclusion about the effectiveness of this approach. Government should invest in

more extensive evaluation before reaching further conclusions on the feasibility of further employer involvement in this area.

Business

i) Successful schemes to set an example for the business community

Few employers consider young people at risk as a potential source of labour. Existing schemes demonstrate that, with adequate training, they can be an important source of skills. Companies that currently run successful schemes should be encouraged to play a leadership role within the business community alongside organisations such as Business in the Community to persuade more companies of the case for engaging with at risk young people.

ii) Ensure schemes have clear criteria

All programmes should have clear criteria as to what is expected from participants and what participants receive. This prevents young people being exploited, for example in providing cheap labour for extended periods.

iii) Provide progression to level three qualifications

Employment programmes that provide training should ensure that progression to a level three qualification is possible. In skilled trades, qualifications below level three are not well recognised and, therefore, not highly transferable. Although many participants will not reach level three, employers should be in a position to signpost suitable candidates towards opportunities for further training.

iv) Introduce mentoring for all schemes

Evaluation evidence and interviews show that mentoring is an important part of the success of schemes for young people at risk. It also limits employer risk by providing an individual support system for each participant. Employers should be encouraged to put in place mentors as part of any employment or work experience programme for young people at risk. Mentoring can be offered as a volunteering opportunity to existing employees as part of a company's community involvement strategy.

v) Adjust selection procedures and train recruiters

Standard selection procedures can work against young people at risk. Employers intending to take on young people at risk should be encouraged to adjust their selection procedures to take account of the difficulties these young people face, for example with telephone interviews. Training should also be provided to recruiters to recognise skills and motivation in the absence of formal qualifications and work experience.

Appendix

List of organisations contacted during audit of schemes.

AccountAbility
 Barnados
 The British Chambers of Commerce
 Business in the Community
 Business Action on Homelessness
 The Confederation of British Industry
 Forum for the Future
 Good Corporation
 The Institute of Directors
 HM Prison Service
 National Association for the Care and Resettlement of Offenders
 National Grid Transco Foundation
 NCH Action for Children
 The Prince's Trust
 Social Exclusion Unit
 UK Social Investment Forum
 The Work Foundation

List of organisations participating in interviews and feedback.

Business Action on Homelessness
 British Chambers of Commerce
 Doncaster Probation Services
 Federation of Small Businesses
 Marks & Spencer
 Toyota
 United Utilities
 Unlock

SMF Publications**Reinventing Government Again**

Liam Byrne and Philip Collins (eds.)

Ten years had passed since the publication of Osborne and Gaebler's landmark book *Reinventing Government*. Thus, in 2004, the Social Market Foundation commissioned several authors to reflect on the ten principles for entrepreneurial government that were set out in the original.

December 2004, £15.00

Too Much, Too Late: Life chances and spending on education and training

Vidhya Alakeson

This report argues that the link between educational attainment and family background will not be broken as long as the pattern of spending on education and training continues to offer a far greater public subsidy to tertiary rather than preschool education. The report proposes a reallocation of spending in the medium term in favour of children under five.

March 2005, £15.00

Limits of the Market, Constraints of the State: The public good and the NHS

Rt. Hon Dr John Reid MP

In this essay, Dr. John Reid, then Secretary of State for Health, lays out the case for extending patient choice within the NHS. He tackles two misconceptions head-on: the belief that 'choice' is a value solely for those on the ideological right; and the idea that choice is only meaningful within markets where the chooser's own private money is brought to bear.

January 2005, £10.00

Choice and Contestability in Primary Care

Social Market Foundation Health Commission Report 3

This paper examines the case for introducing certain kinds of choice into the primary care sector of the NHS. It describes the evolution of the current PCT structure of primary care and the reasons for thinking that it is theoretically possible for PCTs to improve the quality and cut the costs of service. It also presents

the case for allowing GP practices to choose the PCT to which they wish to belong, explains how this system could operate in practice and considers the limitations of the system.

February 2005, £10.00

News Broadcasting in the Digital Age

Ann Rossiter

Rossiter argues for the introduction of 'genre' licences, providing commercial broadcasters with the opportunity to bid for financial support to provide specific public service broadcasting (PSB) programming, paid for by 'top-slicing' the BBC licence fee. She argues that the switch from analogue to digital broadcasting removes the incentive for commercial broadcasters to make and show PSB content, particularly at peak times.

February 2005, £10.00

The Future of Incapacity Benefit Report of the Social Market Foundation Seminar of December 2004

Moussa Haddad (ed.)

Figures produced in 2004 show that more than 50 percent of claimants have been on incapacity benefit for more than five years. Drawing on thoughts presented at an SMF seminar, Jane Kennedy, then Minister for Work at the Department for Work and Pensions, outlines the steps government is taking to combat the 'incapacity trap'.

February 2005, £10.00

Whose Responsibility is it Anyway?

Jessica Asato (ed.)

This collection of essays brings together different perspectives on the public health debate, seeking to find the balance between state intervention and individual responsibility. Published in the lead up to the second White Paper on public health, it considers who should take responsibility for changing public behaviour and when it is legitimate for the state to intervene.

October 2004, £8.00

Evidence suggests that experiencing some form of employment or work experience is the most effective way of getting low skilled young people into permanent employment. This report analyses the effectiveness of work experience, training and employment schemes provided by the private sector for a particularly vulnerable group of low skilled youth: young offenders and young people at the risk of offending. Analysis of existing schemes is combined with an examination of the barriers to greater private sector involvement. The report argues that government could do more to promote further business involvement. Changes to the benefits system and an extension of employer subsidies would lower the barriers considerably.

With the kind support of and the Barrow Cadbury Trust

