

# **Productivity and the Economic Benefits: National Careers Service - Careers Yorkshire and the Humber**

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**10<sup>th</sup> January 2018**

## Acknowledgement

In late 2017, the Board of Careers Yorkshire and the Humber: National Careers Service commissioned dmh associates to undertake an economic review and analysis of the productivity and economic benefits of the service. The period under review focuses on data available from early 2015 – mid year 2017 and the primary focus is on **face-to-face careers guidance for adults** delivered by Careers Yorkshire and the Humber. We are greatly indebted to Tonya Ward (Area Director) and Gerald Hey (Director) for providing us with the data and responding to all our queries.

In September 2008, Dr Deirdre Hughes OBE established DMH associates to encourage greater dialogue and action for improved careers information, advice and guidance (IAG) services to young people and adults. Research, evaluation, training and consultancy activities are all undertaken to support the development of policy and practice frameworks for evidence-based provision. The portfolio of work spans education, employment and skills at a regional, national, European and international level.

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Our expertise includes: consultancy, evaluation, evidence and impact assessment, literature reviews, qualitative and quantitative research, digital and labour market intelligence / information (LMI). We provide a full range of activities each tailored to meet specific organisational or individual needs.

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## Executive Summary

This report draws on evidence-based research, using quantitative research methods, to provide an overview of productivity and the economic benefits of the National Careers Service in Yorkshire and the Humber. The period under review focuses on data available from early 2015 – mid year 2017 and the primary focus is on **face-to-face careers guidance for adults** delivered by Careers Yorkshire and the Humber. This recognises that earlier research undertaken by London Economics<sup>1</sup>, on behalf of the Department for Education (DfE), focused on merged customer data from differing sources between 2004 - 2014. This did not take into account changes in National Careers Service contracts, targets and customer outcomes in 2015 and beyond.

The recently published national Careers Strategy (DfE, 2017) highlights **social mobility, productivity, and technology challenges** that mean – “more people need advice and guidance which will help them to understand the potential benefits of different careers to themselves and to the economy” (p. 7)<sup>2</sup>. Across England, a ‘**Brexodus**’ effect has already started to take hold, with net migration in the UK falling. A central issue is how to link **Britain’s talent pipeline to the genuine skills’ needs of employers**. This is combined with the reality of Yorkshire and the Humber’s low productivity, qualification and unemployment levels. For example, Yorkshire and the Humber recorded the worst Gross Value Added (GVA) per filled job level in England, and the third worst in the UK<sup>3</sup>. In this context for individuals, having **access to careers guidance both online and face-to-face** is vital as this eases the strain on public budgets and can also improve citizens’ quality of life.

The National Careers Service offers a face-to-face service, a telephone service and an online service. Careers Yorkshire and the Humber is one of seven providers delivering 11 local area-based contractors, funded by the Education & Skills Funding Agency (ESFA). An independent customer survey by Ipsos/MORI highlights 55% of customers progressed within or into employment within 6 months of contact with the National Careers Service.<sup>4</sup> A Government-led payment by results (PBR) model includes: **(i) customer satisfaction outcomes; (ii) careers management outcomes; and (iii) jobs and learning outcomes (JLOs)**.<sup>5</sup> Through its formal contract with the Education & Skills Funding Agency (ESFA) the service works to a predetermined target group of specified demographics, updated each year. The standard ESFA requirement is to focus on adults’ most in need, offering a unique added-value contribution of **personalised face-to-face careers guidance from professionally trained and qualified careers advisers**.<sup>6</sup>

### Three key questions

- (i) What level of fiscal return does the National Careers Service: Careers Yorkshire and the Humber make to HM Treasury?
- (ii) Is the National Careers Service priority target group, set by the Education & Skills Funding Agency (ESFA), linked to a payment by results, sufficient to meet regional/local needs?
- (iii) What lies ahead in Yorkshire and the Humber when it comes to the National Careers Service face-to-face careers guidance work with adults in the coming year(s)?

<sup>1</sup> London Economics (2017) *An Economic Evaluation of the National Careers Service*, Research Report, March 2017.

<sup>2</sup> Boston Consulting Group, Sutton Trust (2017) *The State of Social Mobility in the UK*

<sup>3</sup> ONS (2017) Refer to:

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/labourproductivity/articles/regionalandsubregionalproductivityintheuk/jan2017>

<sup>4</sup> ESFA (2017) National Careers Service Position Statement

<sup>5</sup> The current balance of funding is 78% for customer satisfaction outcomes (CSO) and career management outcomes (CMO) and 22% for Jobs and Learning Outcomes (JLOs). In 2018, there may be some changes to the weighting of CSO and CMO, as indicated by the Education & Skills Funding Agency (ESFA).

<sup>6</sup> All careers advisers are fully trained to at least Level 4 and/or Level 6 qualifications formally recognised by the UK Career Development Institute.

### Level of fiscal return

- For **every £1 invested** in the National Careers Service: Careers Yorkshire and the Humber **£9 is returned in fiscal benefits** to the Treasury and the wider economy.
- The service **paid for itself in less than 2 months**. This would imply the service has already paid for itself 4 times over halfway through this fiscal year.
- The economic benefits created for the Treasury are, as a minimum, the **cost savings in payments of Job Seeker Allowance (JSA) and other benefits**, as well as the **additional income to the Treasury accrued from income tax payments** from those adults newly employed. The estimated economic benefit is **£9,800<sup>7</sup> per successful intervention**. As a result, funding for face-to-face careers guidance does not only pay for itself, but it also **returns 9-fold towards the cost of the service**. The real return is much higher, nearer double, given that this return on investment (ROI) is based on job outcomes within contractual rules (for 2016, 17.3% of job outcomes were claimable and used in the above ROI results versus 31% of customers who moved from unemployment to employment). Actual **job outcomes are much higher**. The **ROI is also understated** as it does not account for the value of learning outcomes or the value of progression in work and other societal benefits. A 2016 national survey on the face-to-face area based service conducted by the ESFA showed the following results:
  - 31% of customers moved from unemployment to employment
  - 55% of customers progressed in employment
  - 68% of customers progressed in learning
  - 58% of customers felt that the National Careers Service adviser played a part in achieving employment progression
  - 60% of customers felt that their National Careers Service adviser played a part in achieving progression in learning.<sup>8</sup> (Service Impact 2016 data, p.15)
- The level of **funding is set to drop by 24% in Yorkshire and the Humber** from October 2018.<sup>9</sup> This reduction in funding is a **false economy** given face-to-face careers guidance gives **direct fiscal benefits** and **creates the conditions** for more individuals to progress towards meaningful education, training and/or employment. This, in turn, supports increased productivity and prosperity across Yorkshire and the Humber region.
- **24% funding cuts** make little economic sense. While these cuts would **save £1.3 million per annum in costs**, they would see a **£12 million fall in fiscal benefits**, as well as a total **societal benefit fall of at least £30 million**.
- By March 2018, the National Careers Service-induced Job and Learning Outcomes (JLOs) are expected to **increase by 10% on the previous year**, with those **entering Learning or Training increasing by 24%**<sup>10</sup>. The Education & Skills Funding Agency (ESFA) is proposing significant changes regarding priority target groups, as set out in Table 2 within the main report.

### Priority target group and regional/local needs

- An ESFA position statement has identified that from October 2018 that **the target group is changing** to: low skilled adults without a level 2 qualification, people with special educational needs or disabilities, adults aged 18-24 not in education, employment or training; adults unemployed for over 12 months; single parents and; adults aged 50 and over who are unemployed or at demonstrable risk of redundancy.

<sup>7</sup> Fiscal benefits were assumed in 2013 by the Department for Work & Pensions (DWP) to be £9,800, and are the result of an individual entering work, paying taxes and ceasing to receive benefits. Societal benefits were assumed to be £14,610, the average wage expenditure in the UK. When total societal benefits are considered, the impacts are greater still. Both of these figures were uprated for inflation for 2015 and 2016, to represent the likely larger real benefits job outcomes generated last year

<sup>8</sup> Source: techUK *National Careers Service Concept Viability Market Engagement Report*

<sup>9</sup> Source: National Careers Service contract notice 2017/S 216-449280

<sup>10</sup> Refer to footnote 4.

- The most alarming changes to priority target groups comes in the form of **those with level 2 but below level 3 qualifications no longer being viewed as priority**. This leaves a significant gap in the client base to be addressed, and fails to take account for skills losses following a stretch of unemployment or inactivity.
- Tighter control on those facing redundancy also risks losing opportunities to intervene at crucial periods in an individual's career journey. For example, **excluding those under 50 in redundancy means intervention – now at 12 months unemployment for these individuals – may come too late** to be of any real benefit.<sup>11</sup>
- Narrowing target groups is a **hugely restricting factor**. This may contribute to the wider economic problems in Yorkshire and the Humber (and the UK), namely stagnant productivity growth and low wages.
- Ultimately, the dual threat of **falling income and a narrowing target group** means the National Careers Service will be able to help fewer people with fewer resources. Arguably, reductions in one could be manageable, yet reductions in both will provide a **significant shock to the strong fiscal benefits the National Careers Service provides**.

#### What lies ahead?

- The National Careers Service in Yorkshire and the Humber received from Ofsted a **'Good' grade in its performance in 2016/2017**. It meets the government-owned matrix standard which independently assesses and measures the quality of their delivery of careers information, advice and guidance. It has a workforce of **highly trained and qualified careers professionals**.
- The contracts are being tendered in an open call by the ESFA. For many individuals, there is a strong push towards self-help online digital services. Many individuals **lack basic digital skills**. For example, around 5.3 million Britons have never been online before<sup>12</sup>. There is a strong correlation between groups that are **digitally excluded**, and those at increased risk of poor health and unemployment. A **balance needs to be achieved** between online and face-to-face careers support.
- The challenges moving National Careers Service customers back to sustainable employment have become **inherently more difficult**, given the degree of unemployment entrenchment for some new customers will increase. The government Industrial Strategy highlights priority skills needs such as STEM and digital skills. Yet, **government funding is on the decline**. Those who are **digitally included** can more easily access services that will have positive impacts on their livelihood; be it employment and skills services. But, for many **they too need face-to-face career guidance** at a time and place to suit their needs to support and enhance their capacities in ways that contribute to improvement in jobs, skills and personal growth. More detailed case studies are available in this regard outside of this report.
- The careers strategy indicates a universal service e.g **"as an adult you will be able to access local, high-quality advice from a National Careers Service adviser**, with more bespoke advice and support available when you need it most" (p.8). But this will only be adequately funded **if the individual fits into the new heavily restricted priority target groups**.
- There are **risks** that the service, in October 2018, could potentially be viewed as 'failing' before it even gets started by **those unfamiliar with new set ESFA priority groups**. There may be **opportunities** through the government's Career Learning Pilots to test how to effectively engage adults about the opportunities and benefits of learning. £10m from Government will support projects which design and test flexible and accessible ways of delivering learning to working adults with **low or intermediate skills**.

<sup>11</sup> In any large-scale redundancies, workers involved will expect to be targeted. Whilst the contract expects all clients (whether priority or non priority) should access the service this may prove challenging to tailor services within the limits of the proposed funding arrangements.

<sup>12</sup> <https://www.theguardian.com/politics/2016/jun/13/uk-adults-computer-basic-digital-knowhow>

Two questions for policymakers and regional influencers to consider are how **adults with level 2 but below level 3 qualifications in Yorkshire and the Humber to gain bespoke face-to-face careers guidance when they need it most and the level of national investment in local careers services for adults?**

Looking ahead, Yorkshire and the Humber has an opportunity through its forthcoming newly established **Skills Advisory Panel** to work closely with the National Careers Service keeping the spotlight on people, jobs, skills and personal growth.

## 1.0 Introduction

1.1 This paper focuses on the added-value economic returns the National Careers Service's area-based 'face-to-face careers guidance contract' in Yorkshire and the Humber makes to Britain's productivity challenge and the national economy. In the Government's recently published 'Careers Strategy' (DfE, December 2017)<sup>13</sup> it was highlighted that over the past year in England 474,000 individuals have received face-to-face careers advice (p.6). The strategy indicates looking ahead the intention is to:

*“Support adults to continue to learn and train regardless of which stage they are at in their lives. It is important to encourage and improve lifelong learning for those who are just starting out along a career path and those who want to reskill or upskill. This will make sure employers have people with the right set of skills working for them which will boost economic growth and productivity.”* (p.7 para.15)

Careers Yorkshire and the Humber is one of seven providers delivering 11 local area-based contracts, funded by the Education & Skills Funding Agency (ESFA) to deliver face-to-face careers advice. In April 2017, it achieved a 'Good' rating from Ofsted<sup>14</sup>. A Government-led payment by results (PBR) model operates including: **(i) customer satisfaction outcomes; (ii) careers management outcomes; and (iii) jobs and learning outcomes (JLOs)**.<sup>15</sup> Through its formal contract with the Education & Skills Funding Agency (ESFA) the service works to a predetermined target group of specified demographics, updated each year. The standard requirement is to focus on adults' most in need with a unique added-value contribution of **personalised face-to-face careers guidance from professionally trained and qualified careers advisers**.<sup>16</sup>

## 1.2 Methodology

This report draws on evidence-based research, using quantitative research methods, to analyse productivity and the economic benefits of the National Careers Service in Yorkshire and the Humber. The period under review focuses on data available from early 2015 – mid year 2017 and the primary focus is on **face-to-face careers guidance for adults delivered by Careers Yorkshire and the Humber**. This recognises that earlier research undertaken by London Economics<sup>17</sup>, on behalf of DfE, focused on merged customer data from differing sources between 2004 -2014. This did not take into account of changes in National Careers Service contracts, targets and customer outcomes in 2015 and beyond.

## 1.3 Three key questions

- (i) What level of fiscal return does the National Careers Service: Careers Yorkshire make to HM Treasury?
- (ii) Is the National Careers Service priority target group, set by the Education & Skills Funding Agency, linked to a payment by results, sufficient to meet regional/local needs?
- (iii) What lies ahead in Yorkshire and the Humber when it comes to the National Careers Service face-to-face careers guidance work with adults in the coming year(s)?

<sup>13</sup> DfE (2017) *Careers Strategy: making the most of everyone's skills and talents*, London, December 2017

<sup>14</sup> <https://reports.ofsted.gov.uk/inspection-reports/find-inspection-report/provider/ELS/1236778>

<sup>15</sup> The current balance of funding is 78% for customer satisfaction outcomes (CSO) and career management outcomes (CMO) and 22% for Jobs and Learning Outcomes (JLOs). In 2018, there may be some changes to the weighting of CSO and CMO, as indicated by the Education & Skills Funding Agency (ESFA).

<sup>16</sup> All careers advisers are fully trained to at least Level 4 and/or Level 6 qualifications formally recognised by the UK Career Development Institute and the government-owned matrix standard.

<sup>17</sup> London Economics (2017) *An Economic Evaluation of the National Careers Service*, Research Report, March 2017.



1.4 The findings make clear - **careers guidance makes significant financial returns** in its contribution to:

- boosting living standards and the earning power of people<sup>18</sup>;
- supporting economic growth<sup>19</sup>; and
- preparing individuals and families to meet productivity, skills and technological challenges that lie ahead.

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<sup>18</sup> Latest estimates show that average weekly earnings for employees in Great Britain in real terms (that is, adjusted for price inflation) fell by 0.4% including bonuses, and fell by 0.5% excluding bonuses, compared with a year earlier. (ONS, November 2017)

<sup>19</sup> OCED (2017) *Getting Skills Right: United Kingdom*, OECD Publishing, Paris. Also, European Lifelong Guidance Policy Network 2007-2015 series of evidence-based reports, Finland: University of Jyväskylä <http://www.elgpn.eu/publications>.

## 2.0 Major challenges

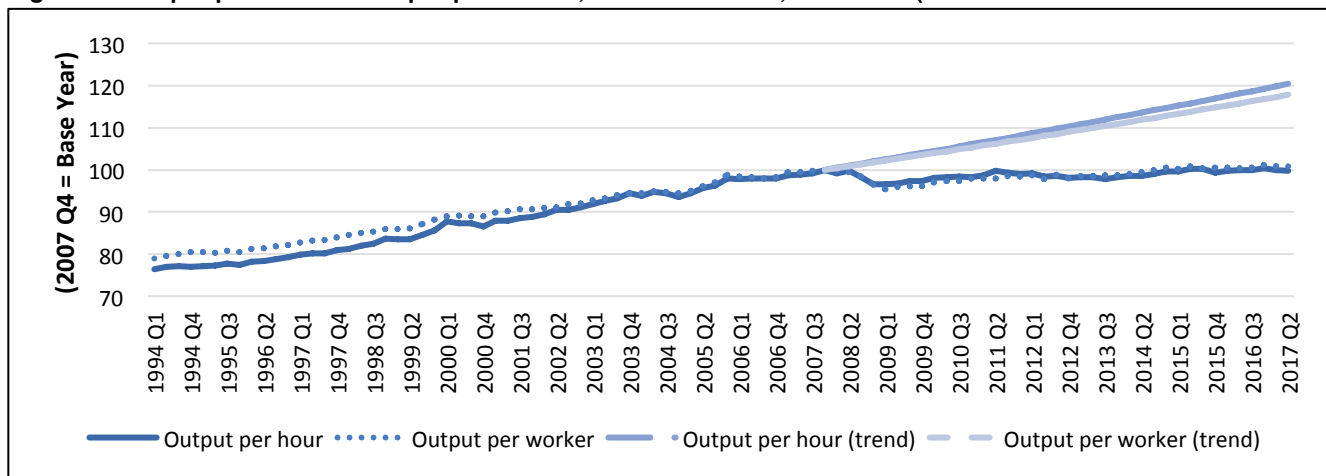
### Productivity and Skills

2.1 **Productivity<sup>20</sup>, or lack of it**, is a key issue for economies across the globe. The United Kingdom (UK) has record high employment levels and very low jobless rates compared to most OECD countries. However, labour productivity growth remains weak and the job prospects of many adults are hurt by their poor literacy and numeracy skills. The OECD recommends:

*“To boost growth, productivity and earnings, the UK should encourage lifelong learning among adults and promote better skills utilisation” (OECD, November 2017)<sup>21</sup>*

The UK’s [productivity](#) in 2015 was 16% below the average of other leading Western economies<sup>22</sup> - its worst performance since records began back in the 1990s. Across the region, since 2015, Yorkshire and the Humber recorded the worst Gross Value Added (GVA) per filled job level in England, and the third worst in the UK<sup>23</sup>. The well-documented problem with productivity (measured as output-per-hour or output-per-filled job) is therefore troubling. With output-per-hour 20% below what pre-crisis trends might suggest<sup>24</sup>, the ‘productivity puzzle’ has been attributed with stifling wage growth which, against the backdrop of steady inflation, has caused a reduction in national living standards. Figure 1 below illustrates the scale of this challenge.

Figure 1 – Output-per-hour and output-per-worker, real and trended, 1994-2017 (2007Q4 = 100)



Source: ONS

Note: Data presented in Index Form to present growth relative to given year. Here 2007 was used as the base year (100) to present growth before and after the global economic downturn

In November 2017, the Minister of State for Apprenticeships and Skills and Minister for Women stated:

*“Now is the time to act so that everyone has the skills and the knowledge to thrive in our fast-changing work environment. We will spread opportunity to every part of the country. Social mobility*

<sup>20</sup> What does productivity actually mean? At its simplest, labour productivity is the amount of output per worker.

<sup>21</sup> <http://www.oecd.org/education/boosting-skills-would-drive-uk-growth-and-productivity.htm> Retrieved on - 19th November 2017

<sup>22</sup> ONS(2017), International Comparisons of UK Productivity, final estimates (2015)

<sup>23</sup> ONS (2017) Refer to:

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/labourproductivity/articles/regionalandsubregionalproductivityintheuk/jan2017>

<sup>24</sup> ONS, 2017

*is positively related to productivity internationally. A modest increase in the UK’s **social mobility** to the average level across western Europe could be associated with an increase in annual GDP of approximately 2%: equivalent to £590 per person or £39 billion to the UK economy as a whole. People need advice and guidance which will help them to understand the potential benefits of different careers to themselves and to the economy.” (p. 7)<sup>25</sup>*

2.2 **Skills utilisation, or lack of it**, means there is an urgent imperative to do more to ensure people of all ages have the requisite skills to help expand our economy and live fulfilling lives. The UK population is ageing. We are living longer than ever before, we have historically lower birth rates; a large cohort of people – the so-called ‘baby boomers’ born after the Second World War – are reaching retirement (Grattan & Scott, 2016)<sup>26</sup>. Skills and productivity at a more granular level provides regional analysis of **where low productivity festers**. The CBI recently found that skills and educational attainment were the most important drivers of productivity growth within UK’s regions.<sup>27</sup> The government has committed to **delivering three million apprenticeship starts by 2020**. With **15 new technical education routes ‘T levels’** (alongside other changes in education and training) more people will need to understand how these new opportunities can potentially benefit them and their families. Local Industrial Strategies, supported by Skills Advisory Panel analysis, should help bring together local partnerships and relationships with businesses, local authorities (LAS), Local Enterprise Partnerships (LEPs) and the National Careers Service to help make sure that careers advice is well-positioned to support local economic growth.

2.3 **Brexit** is a further major issue and another reason for the National Careers Service: Yorkshire and the Humber to perform a vital role in relation to economic growth, skills training and retraining. There are macro-economic risks, given that much of the UK’s strong labour market performance both pre- and post-Brexit has been driven by high employment rates among migrants (Portes & Forte, 2017)<sup>28</sup>. Across England, a **‘Brexodus’ effect** has already started to take hold, with net migration in the UK falling. Challenges faced by employers in terms of entrenched labour shortages are becoming a reality. Whilst the principles of freedom of movement will stay in place for those who want to visit or stay in the UK, a system of permits will limit the number of working migrants under the Home Office proposals. A central issue in the political debate is how to link **Britain’s talent pipeline to the genuine skills’ needs of employers**. This, combined with the reality of Yorkshire and the Humber’s poor productivity, qualification and unemployment levels, means **effective careers guidance** is essential in working towards a better level of well-being and performance in the region.

Figure 2 – Regional Output-per-filled job, 2015



<sup>25</sup> Boston Consulting Group, Sutton Trust (2017) *The State of Social Mobility in the UK*, London. Also, also: Social Mobility Commission (2017) *State of the Nation 2017: Social Mobility in Great Britain - Fifth Report*, London - [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/662744/State\\_of\\_the\\_Nation\\_2017 - Social\\_Mobility\\_in\\_Great\\_Britain.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/662744/State_of_the_Nation_2017_-_Social_Mobility_in_Great_Britain.pdf)  
Source: ONS

<sup>26</sup> Grattan, L. and Scott, A. (2016) *The 100 Year Life: Living and Working in An Age of Longevity*. Bloomsbury Publishing, London. Available from: <http://www.100yearlife.com/>

<sup>27</sup> <http://www.cbi.org.uk/index.cfm/?method=inline&fileID=9AF06398-223D-4214-B96F1AD8A2FE4CC8>

<sup>28</sup> Portes and Forte (2017): <http://voxeu.org/article/economic-impact-brexit-induced-reductions-migration-uk>

2.4 **Technological progress, or lack of it, means more needs to be done to inform and support individuals to make good use of their talents, education and/or skills.** In most OECD countries, the drop in productivity has been particularly marked in those industries where new digital and technological innovations were expected to generate productivity dividends, such as in the information, communication, finance and insurance sectors<sup>29</sup>. Some of the ideas that have come up for improving it include better investment in staff and technology, structural and management improvements, and **helping people develop their skills set.**

2.5 Five million adults lack functional literacy and numeracy skills, and 11 million do not have **basic digital skills** (Learning & Work Institute, 2017).<sup>30</sup> Health inequalities account for well in excess of £5.5 billion in healthcare costs to the NHS annually.<sup>31</sup> There is a strong correlation between groups that are **digitally excluded**, and those at increased risk of poor health<sup>32</sup>. The National Careers Service for adults in Yorkshire and the Humber works closely with Jobcentre Plus, employers and other key stakeholders. Through its contract with the Education & Skills Funding Agency (ESFA) it works to a predetermined target group of specified demographics, updated each year.

2.6 The National Careers Service: Yorkshire and the Humber's career guidance can enhance the potential benefits that individuals will reap from participating in the **labour market**. It can also **raise productivity** prospects for individual workers (as well as the wedge between productivity and wages), thereby **stimulating labour demand**. The contract requirement is to provide personalised face-to-face careers guidance from professionally qualified and trained staff. The challenges moving National Careers Service customers back to sustainable employment have become inherently more difficult, with the degree of unemployment entrenchment for some customers increased. Yet **government funding is on the decline**. In theory those who are **digitally included** can more easily access services that will have positive impacts on their livelihood; be it employment and/or skills. For many they too need career guidance to support and enhance their capacities in ways that contribute to improvement in jobs, skills and personal growth.

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<sup>29</sup> [https://www.designingbuildings.co.uk/wiki/What\\_is\\_productivity,\\_and\\_how\\_do\\_you\\_measure\\_it%3F](https://www.designingbuildings.co.uk/wiki/What_is_productivity,_and_how_do_you_measure_it%3F) (19<sup>th</sup> June 2017)

<sup>30</sup> Learning and Work Institute (2017) *Life Skills for All*, Leicester – <http://www.learningandwork.org.uk/our-work/improving-system/local-people-local-growth/life-skills-for-all/>

<sup>31</sup> NHS Good Things Foundation – <http://nhs.goodthingsfoundation.org/#section3>

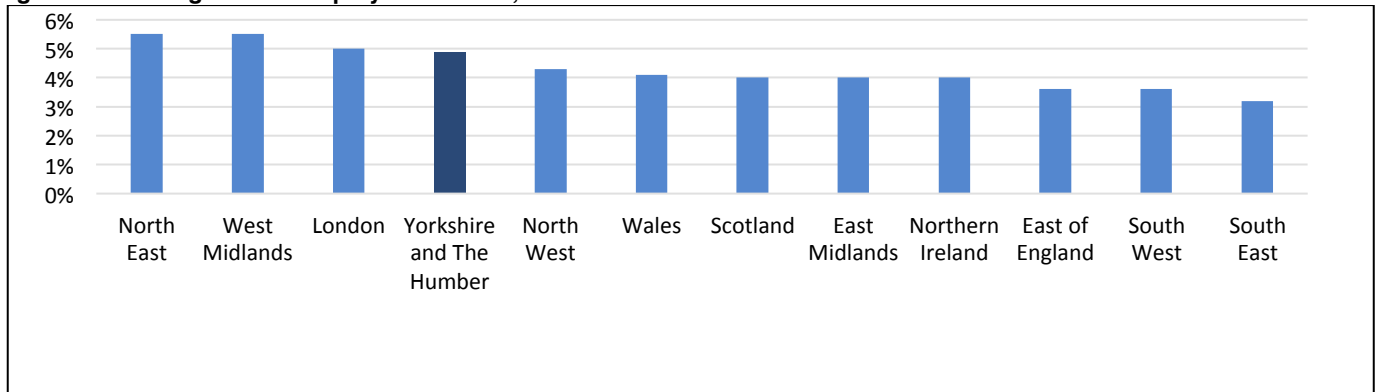
<sup>32</sup> Inclusion Health & Digital Health – <https://www.england.nhs.uk/wp-content/uploads/2017/02/inclusion-hlth-expo.pdf>

### 3.0 Yorkshire and the Humber: Labour Market and the benefits of careers guidance

#### Unemployment and Inactivity

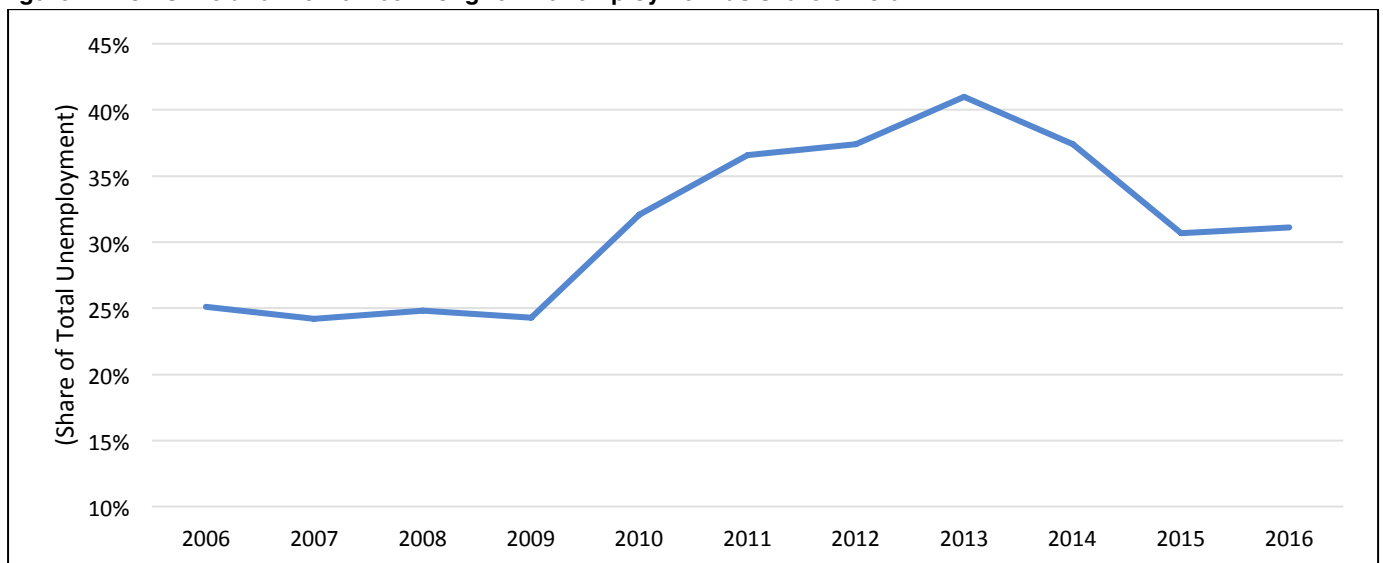
3.1 In the Yorkshire and Humber region, unemployment stood at 4.9% in June 2017, the 4<sup>th</sup> highest among the UK’s regions, and 0.6% higher than the UK average (4.3%). Over the past 10 years, the region has been stubbornly fixed to this ranking relative to the UK’s other major regions, as illustrated in Figure 3 below.

Figure 3 – UK Regional Unemployment Rates, June 2017



3.2 First-time unemployment can potentially lead to long-term unemployment<sup>33</sup>, given an extended period out of the labour market contributes to a potential loss of skills, confidence, motivation and/or a perceived lack of alternatives. The region’s **long-term unemployment** (as a percentage of total employment) is also the 4<sup>th</sup> highest in the UK. In 2010, the effects of the financial crisis caused a spike in this measure, with Yorkshire & the Humber as yet unable to bring levels down below the pre-recession rate. This represents a clear systemic problem relating to a **self-fulfilling loop** of skills’ losses and decreased employability.

Figure 4– Yorkshire and the Humber Long-term unemployment as share of total



Source: Eurostat

Note: Long-term unemployment’s share of total employment only available up to 2016

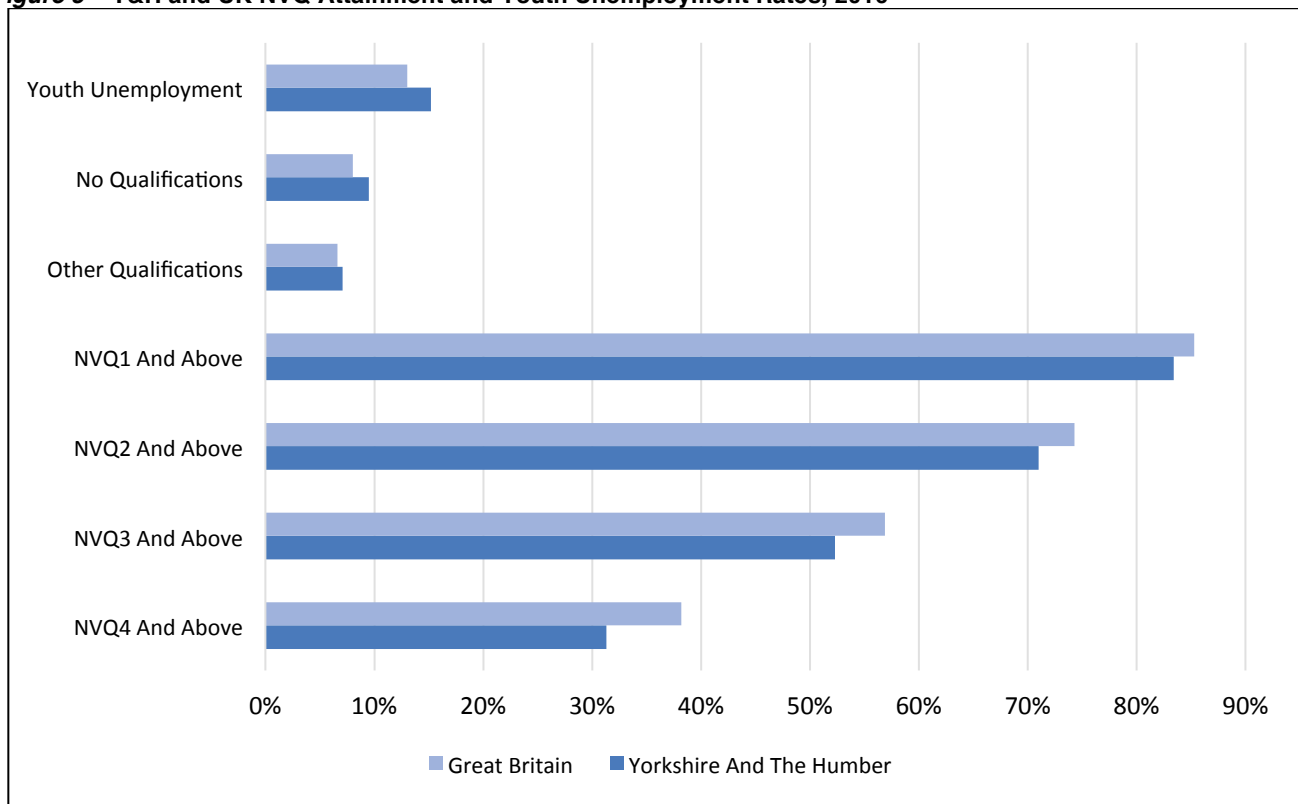
<sup>33</sup> Long-term Unemployment defined by Eurostat as unemployment lasting longer than one year.

3.3 In November 2017, the inactivity rate (the proportion of people aged from 16 to 64 who were economically inactive) was 21.6%, higher than for April to June 2017 (21.3%) but down slightly from a year earlier. This offers further clues to reasons behind labour market difficulties within the region. Most importantly, there are over 190,000 people in Yorkshire and the Humber who are economically inactive but want a job<sup>34</sup>. This represents potential growth for labour supply, if these citizens can receive appropriate careers guidance.

### Qualification Levels

3.4 Broad qualification levels can help tell a story of long-term unemployment rates. Fewer qualifications can lead to higher levels of **long-term frictional and structural unemployment** within the region. It can be seen that Yorkshire and the Humber is above the UK average in the **share of its population without qualifications** (9.5% in Y&H versus 8% in the UK). The region falls short of national averages, with the **gap growing as the level of qualification increases**, for example, a 2% gap among NVQ level 1 attainment increasing to a 7% gap for NVQ Level 4. These figures could explain why Yorkshire and the Humber possesses **youth unemployment** (% of 15-24 year olds unemployed) 2% higher than the UK average at 15%, the 3<sup>rd</sup> highest in the UK.

Figure 5 – Y&H and UK NVQ Attainment and Youth Unemployment Rates, 2016



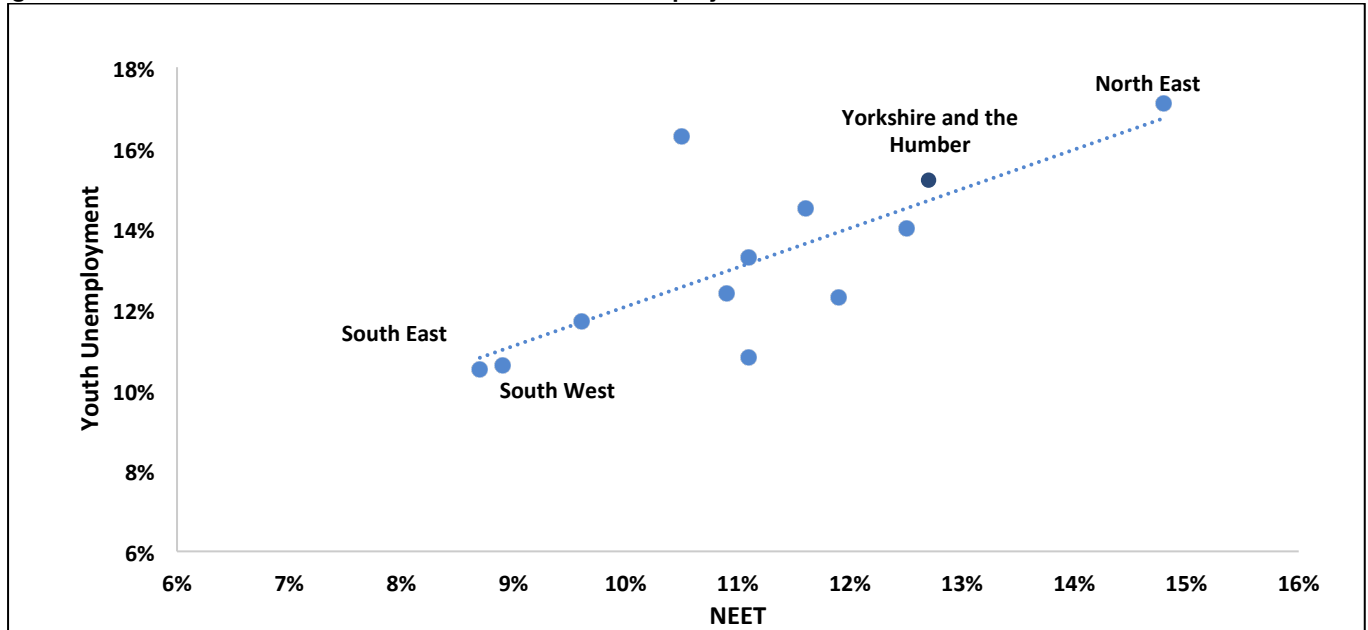
Source: ONS Annual Population Survey

<sup>34</sup> ONS Annual Population Survey, 2017; Available at [https://www.nomisweb.co.uk/reports/lmp/gor/2013265923/subreports/gor\\_einact\\_time\\_series/report.aspx?](https://www.nomisweb.co.uk/reports/lmp/gor/2013265923/subreports/gor_einact_time_series/report.aspx?)

### Not in Education, Employment or Training (NEET)

3.5 Yorkshire and the Humber region is also struggling as figures show those not in employment, education and/or training (NEET) between the ages of 15-24 was the second highest in the UK. Figure 6 below shows that the link between NEETs and youth unemployment are strongly correlated.

Figure 6– Yorkshire & The Humber NEETS and Youth Unemployment



Source: Eurostat

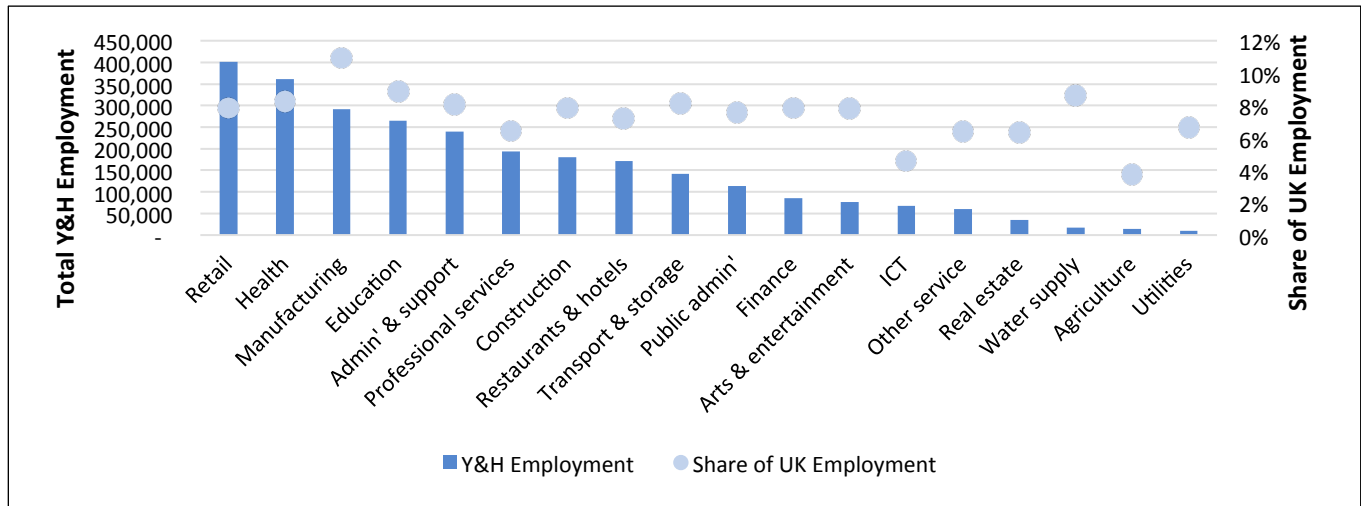
### Labour market trends

3.6 The region’s labour force is similar to the UK Labour Force as a whole in its composition, with only **manufacturing** holding a disproportionately large share of Total UK employment. Notably, however, it is in this sector where productivity growth has been modest at 0.7%<sup>35</sup>. As a labour-intensive industry, the implication is that improving manufacturing employees’ education, skills and overall knowledge could go some way to **alleviating long-term productivity paralysis** – particularly in Yorkshire and the Humber. It is also clear that **careers guidance could stimulate greater demand** from individuals for new pathways into job and growth areas. Good career guidance decreases shocks to the labour market which may arise from inadequate job matching and poor job signalling. This supports individuals to move into the most appropriate job for them.<sup>36</sup>

<sup>35</sup> ONS, 2017

<sup>36</sup> Hughes, D. and Borbely-Pecze, T. (2014). *Youth Unemployment: A Crisis in Our Midst: The Role of Lifelong Guidance Policies in Addressing Labour Supply and Demand* (ELGPN Concept Note No. 2). Finland: University of Jyväskylä: ELGPN.

Figure 7– Yorkshire and the Humber Employment by Industry, and Share of Total UK Employment by Industry



The characteristics of employment are also changing. In 2015, there were 50,000 more self-employed people than ten years previously, with self-employment now accounting for one in seven jobs. Part-time work has also increased substantially, with nearly one quarter of employment being part-time in 2015. The number of temporary jobs has also grown, with 83,000 people being on fixed-term or casual contracts in the year to July 2015, one in fifteen of all people in employment.<sup>37</sup>

<sup>37</sup> Office for National Statistics Labour Force Survey [http:// www.ons.gov.uk/surveys/informationforhouseholdsandindividuals/householdandindividualsurveys/labourforcesurvey/lfs](http://www.ons.gov.uk/surveys/informationforhouseholdsandindividuals/householdandindividualsurveys/labourforcesurvey/lfs). Also, *Good Work: The Taylor Review of Modern Working Practices*, London, July 2017.



## 4.0 Yorkshire and the Humber: Cost benefits of National Careers Services: face-to-face careers guidance

### The Benefits of face-to-face careers guidance far Outweigh Costs

4.1 In October 2017, the Education & Skills Funding Agency reported it undertakes monthly National Careers Service surveys talking to customers:

*“55% of our customers have entered or progressed in employment six months after working with the National Careers Service. It’s nearly 70% have progressed in learning. And 60% of our customers claim that it’s the National Careers Service that is facilitating them making that progress. And nearly 90% recommend the National Careers Service to their customers, to their friends and family.”*  
(Westminster Employment Forum, p.26 & p.27)<sup>38</sup>

4.2 From 2015 to the present, the **costs and outcomes** from the National Careers Service: Yorkshire and the Humber’s *face-to-face careers guidance delivery* are summarised below:

**Table 1 – Breakdown of Job and Learning Outcomes, Costs and Benefits of the National Careers Service: Yorkshire and the Humber Face-to-Face Service<sup>39</sup>**

	2016-2017	2017 – 2018 (Projected)	Predicted Change
<b>Cost of Service</b>	£5.6 million	£5.5 million	£62k Reduction
<b>Number of Clients</b>	57,321	54,280	5% Reduction
<b>Entered Learning or Training</b>	7,566	9,390	24% Increase
<b>Entered sustained employment</b>	9,917	9,934	0.2% Increase
<b>Progressed in existing employment</b>	688	652	5% Reduction
<b>ROI<sup>40</sup></b>	£50.6 million	£50.6 million	
<b>Lowest Attribution Rate before Costs &gt; Fiscal Benefits</b>	5.5%	5.5%	
<b>Total ‘knock-on’ effects</b>	£126.1 million	£126.4 million	£300k increase
<b>Lowest Attribution Rate before Costs &gt; Total Benefits</b>	2.2%	2.2%	
<b>Effects of 24% Funding Cuts</b>			
○ <b>Cost</b>			£1.38 million saving per annum
○ <b>Fiscal Benefits</b>			£12.1 million fall per annum
○ <b>Societal Benefits</b>			£30.2 million fall per annum

Source: National Careers Service, Yorkshire and the Humber contract figures

<sup>38</sup> Westminster Employment Forum (2017) *Priorities for the new Careers Strategy: next steps for standards, funding and meeting employers’ needs*, London: 12<sup>th</sup> October 2017

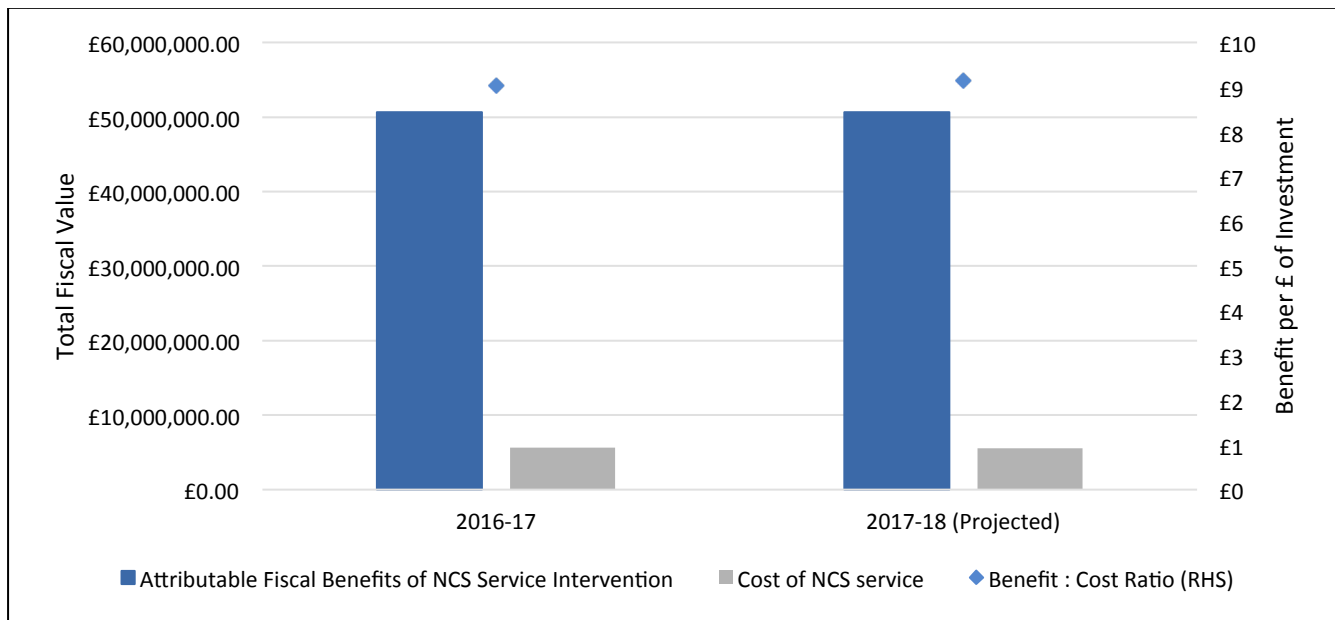
<sup>39</sup> Projections for 2017-2018 based on assumption that growth will continue at same rate from October 2017-March 2018 as it has from April 2017 – September 2018

<sup>40</sup> Assumptions made that a minimum 50% of area based service delivered face-to-face interventions result in these individuals returning to work, erring on the side of caution. However, the actual estimated attribution is higher than this i.e. 60%, as cited by the ESFA.

4.3 Table 1 displays a breakdown of the costs accrued by the National Careers Service’s operation in Yorkshire and the Humber over the last 2 ½ years, and the according fiscal and ‘knock-on’ benefits these generate. The data tells a story of sustained success for Careers Yorkshire and the Humber, with the last two years representing a **9-fold return on investment**.

4.4 Figure 8 below illustrates **fiscal benefits and costs of the National Careers Service: Yorkshire and the Humber**.

**Figure 8 – Fiscal Benefits and Costs of National Careers Service: Yorkshire & the Humber**



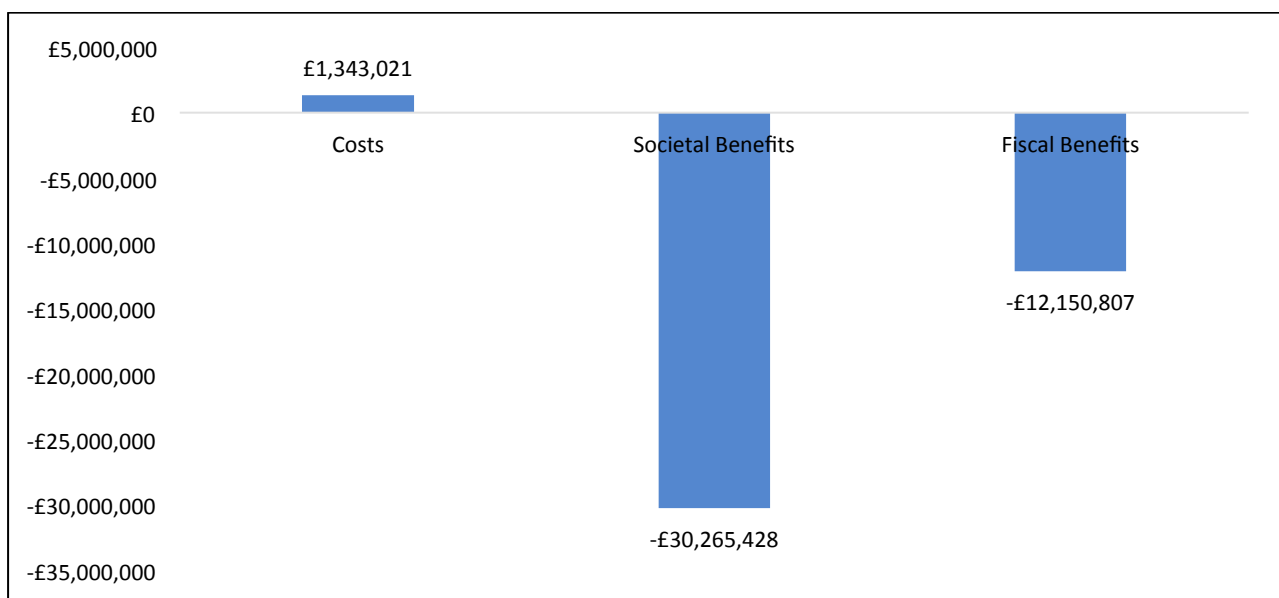
Source: National Careers Service available figures

- For 2016-17, costs for the National Careers Service: Yorkshire & the Humber reached £5.6 million, which worked out at £97.62 of contract income per customer. When accounting only for successful claimable job outcomes, this stands at £307.96 per customer. However, given that national ESFA survey results show that actual job outcomes are **almost double the number of job outcomes claimable** under contract rules, the true cost per job outcome is nearer £160.
- The National Careers Service: Yorkshire & the Humber helped provide 18,171 JLOs last year, with 55% (9,917) of those entering sustained employment, and thus **immediately generated fiscal benefits to the Exchequer. 7,566 (41%) more entered learning or training in order to gain skills vital for future employment, while another 688 (4%) progressed in existing employment.**
- At its current rate total annual JLOs are set to reach over 19,000 by March 2018, with **fiscal benefits projected to surpass £50 million**. The greatest rise is expected to come from those **entering vital learning or training (24% increase)**.
- The direct fiscal benefits accrued from these job and learning outcomes (JLOs) reached £50.6 million last year in real terms, **a 26% increase coming against only a 7.7% increase in costs**.<sup>41</sup> That benefits rose from a much higher base than costs further demonstrates the value of this venture.

<sup>41</sup> The changes are against 2015-16 figures, which presented an increase in fiscal benefits from £40.3 million to £50.6 million (26% increase) against an increase in costs from £5.19 million to £5.6 million (7% increase). The fiscal benefits multiplied the job

- The ‘knock-on’ benefits from sustained job outcomes last year was £75.4 million, making the **total monetary benefit of the service £126 million, a £25 million increase** on the previous year.
- The **Service paid for itself in less than 2 months**. This would imply the service has already paid for itself 4 times over in the first half of this fiscal year.
- Potential Funding **Cuts of 24%**<sup>42</sup> **would save the Government £1.3 million per annum**, yet would potentially **come at the expense of £12.2 million of fiscal benefits, for a loss of at least £30 million of total societal benefits**. The societal benefit is just £14,610 which equates to the average wage spent in the local economy. This is not the full total of societal benefits – there are **many more that have not been quantified** – e.g. learning outcomes, better health, social impact of working families etc.
- The economic benefits created for the Treasury are, as a minimum, the **cost savings in payments of Job Seeker Allowance (JSA) and other benefits**, as well as the **additional income to the Treasury accrued from income tax payments** from those adults newly employed. The estimated economic benefit is **£9,800 per successful intervention**. As a result, funding for face-to-face careers guidance does not only pay for itself, but it also **returns 9-fold towards the cost of the service**.

Figure 9 – Estimated Cost Savings and Benefit Losses from 24% Funding Cuts in 2016-17

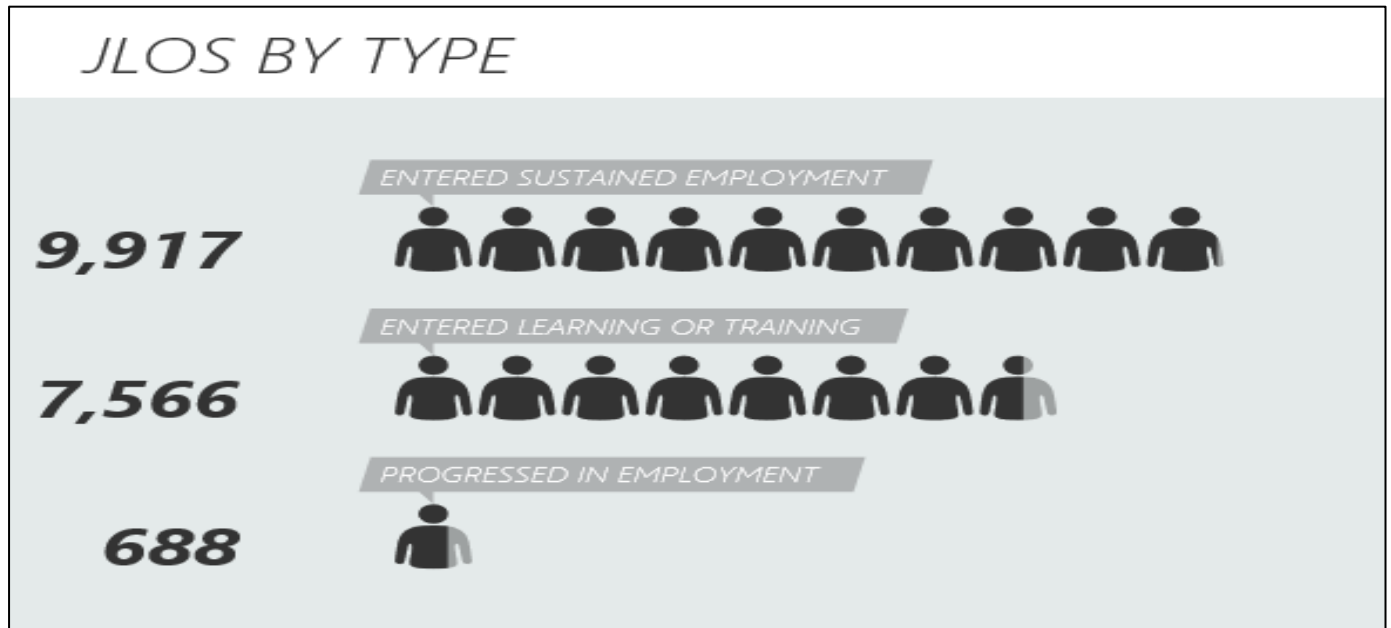


Source: Calculations based on evidence from National Careers Service

outcomes by the average benefit of each customer, which was over £10,000 in 2016 when uprated for inflation (as per your initial suggestion), and the given a 50% attribution rate, in line with previous studies.

<sup>42</sup> This is based on Careers Yorkshire and the Humber contract performance versus the proposed new budget from October 2018. The reduction is versus the actual budget available (contract for 36mths from Oct'18 - £13M, budget Year To Date 31.03.18, £5,713,255 grossed up to 36mths = £17,139,765 i.e. a £4,139,765 reduction over the 3 years = 24% reduction).

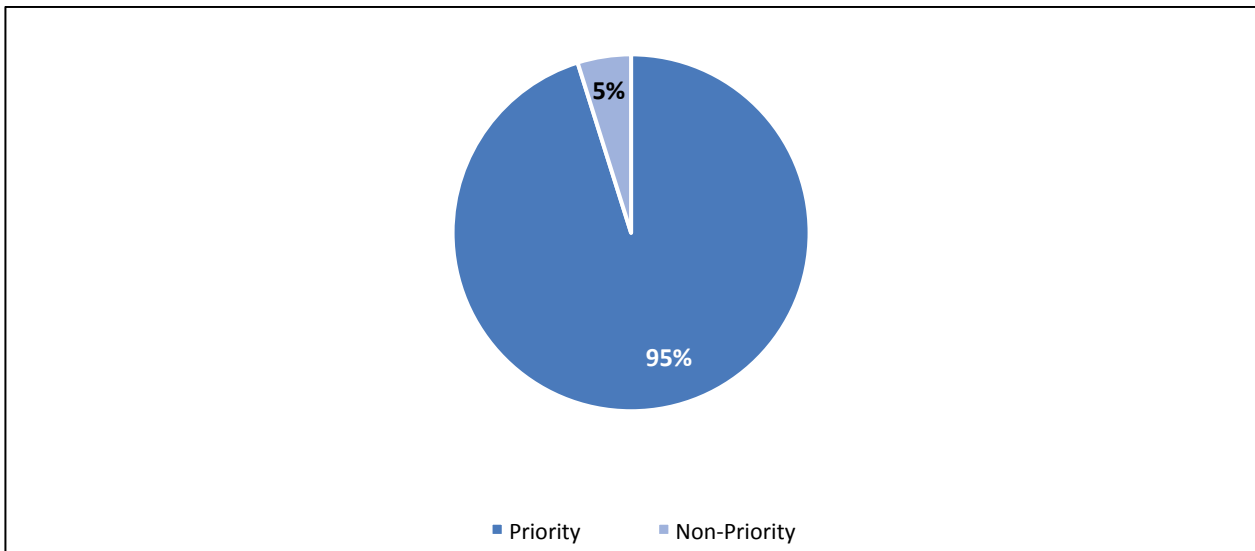
Figure 10 – JLO's by type of outcome 2016/17



## 5.0 Customer base: A narrowing target group threatening National Careers Service Impact

5.1 The National Careers Service prime contractors area-based work to a predetermined target group of specified demographics, updated each year. In the past, the Service has capitalised from a wide base, as the chart below signifies (figure 11). This approach has allowed JLOs for people from an array of backgrounds.

Figure 11–National Careers Service Customers by Priority & Non Priority



Source: Calculations based on evidence from National Careers Service

- 95% of customers are listed as 'priority'. In other words, they receive face-to-face guidance on a paid contract basis for the National Careers Service commissioned careers adviser. Future success depends ever more on funds being available to hire professionally trained and qualified careers advisers.
- The NCS at present deals with cases from specified target groups, offering a wide base with which to provide priority, face-to-face services for their clients. Table 2 below displays these target groups, and the potential changes to these targets from October 2018. *See also:* Appendix 1 – Academic Evidence base on Employment Barriers.

Table 2 – NCS Target Groups – Current and Prospective Target Groups, as set out by the Education & Skills Funding Agency

2015-16 Target Group <sup>43</sup>	Prospective Target Group for 2018-2019
Low-skilled adults without a level 3 qualification, employment or training	Low skilled adults without a level 2 qualification
Young adults aged 18-24 not in education, employment or training	Adults aged 18-24 not in education, employment or training
Adults facing redundancy, newly redundant or distant from the labour market (that is the customer has not been in any type of work for two years or more)	Adults aged 50 and over who are unemployed or at demonstrable risk of redundancy
Employment and Support Allowance (ESA) and in the work-related activity group (WRAG) who are unemployed	Single parents
Adults with learning difficulties and/or disabilities.	People with special educational needs and/or disabilities
Jobcentre Plus customers on DWP Jobseekers Allowance (JSA)	Adults unemployed for over 12 months
People who are claiming Universal Credit who are looking for work and are at least 18 years old	
Adults in custody aged 18 years or over, or an ex offender	

Source: Education & Skills Funding Agency

5.2 The In-Custody funding is part of the National Careers Service contract until March 2018 (see para. 6.1 below). This may be extended until September 2018; however, the situation is currently unclear. The most alarming changes to priority contracts come in the form of those with level 2 but below level 3 qualifications no longer being viewed as priority. This leaves a significant gap in the client base that can be addressed, and fails to take account for skills losses following a stretch of unemployment or inactivity. Ex-offenders are not a priority target group.

5.3 Tighter control on those facing redundancy also risks losing opportunities to intervene at crucial periods in an individual’s career journey. Excluding those under 50 in redundancy means intervention – now at 12 months unemployment for these individuals – may come too late to be of any real benefit. Ultimately, the dual threat of falling income and a narrowing target group means the National Careers Service will be able to help fewer people with fewer resources. Arguably, reductions in one could be manageable, yet reductions in both will provide a significant shock to the strong fiscal benefits the ‘universal’ National Careers Service provides.

<sup>43</sup> In 2016-2017 the Priority Groups remained fairly stable with minor changes to include some Job Seekers Allowance (JSA) and Universal Credit customers.

## 6.0 Post In-Custody career guidance providing vital support to reduce re-offending

6.1 While the benefits are less pronounced than for their ‘face to face careers guidance service’, the National Careers Service: Yorkshire & the Humber for those In-Custody give invaluable support to offenders’ reintegration into society. From October 2018, the National Careers Service budget for the In-Custody Offer (ICO) will transfer directly to prison governors.<sup>44</sup> The National Careers Service: Yorkshire and the Humber provided career guidance to 18% of the UK’s prison population, achieving JLOs for 1.5% of them.

- The service claimed 1,232 JLOs as a result of their interventions between 2016 and 2017, with 668 entering sustained employment, and another 564 entering learning or training.
- With a 50% attribution rate, the In-Custody Offer (ICO) service generated £3.4 million last year, a **more than two-fold return on investment**. The Service **paid for itself in less than half a year**.

A substantive issue looking ahead is **the level of face-to-face careers guidance available to ex-offenders in the community** given they are not a priority target group, unless these individuals have been unemployed for 12 months, from October 2018 onwards.

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<sup>44</sup> Unlocking Potential<sup>44</sup>, published in May 2016 recommends that governors are given complete control of the education budget and freedom to tailor the prison curriculum – giving offenders the skills they need to find work on release and close the door on destructive behaviour. In effect, returning to the system for procuring education and training in prisons - <https://www.gov.uk/government/publications/unlocking-potential-a-review-of-education-in-prison>

## 7.0 What lies ahead: face-to-face careers guidance

7.1 The National Careers Service in Yorkshire and the Humber received from Ofsted a **‘Good’ grade in its performance in 2016/2017**. It meets the government-owned matrix standard which independently assesses and measures the quality of their delivery of careers information, advice and guidance. It has a workforce of **highly trained and qualified careers professionals**. The contracts are being tendered in an open call by the ESFA. For many individuals, there is a strong push towards self-help online digital services. Many individuals **lack basic digital skills**. For example, around 5.3 million Britons have never been online before<sup>45</sup>. There is a strong correlation between groups that are **digitally excluded**, and those at increased risk of poor health and unemployment. A **balance needs to be achieved** between online and face-to-face careers support.

7.2 The challenges moving National Careers Service customers back to sustainable employment have become **inherently more difficult**, given the degree of unemployment entrenchment for some new customers will increase. The government Industrial Strategy highlights priority skills needs such as STEM and digital skills. Yet, **government funding is on the decline**. Those who are **digitally included** can more easily access services that will have positive impacts on their livelihood; be it employment and skills services. But, for many **they too need face-to-face career guidance** at a time and place to suit their needs to support and enhance their capacities in ways that contribute to improvement in jobs, skills and personal growth. More detailed case studies are available in this regard outside of this report.

7.3 The careers strategy indicates **“as an adult you will be able to access local, high-quality advice from a National Careers Service adviser**, with more bespoke advice and support available when you need it most” (p.8). But this will only be adequately funded **if the individual fits into the new heavily restricted priority target groups**

7.4 There are **risks** that the service, in October 2018, could potentially be viewed as ‘failing’ before it even gets started by **those unfamiliar with new set ESFA priority groups**. There may be **opportunities** through the government’s Career Learning Pilots to test how to effectively engage adults about the opportunities and benefits of learning. £10m from Government will support projects which design and test flexible and accessible ways of delivering learning to **working adults with low or intermediate skills**.

Two key questions for policymakers and regional influencers to consider are:

1. **How adults with level 2 but below level 3 qualifications in Yorkshire and the Humber gain bespoke face-to-face careers guidance when they need it most?**
2. **What is level of national financial investment in local careers services for adults?**

7.5 Yorkshire and the Humber has an opportunity through its **Skills Advisory Panel** analysis to work closely with the **National Careers Service: Careers Yorkshire and the Humber** in keeping the spotlight on people, jobs, skills and personal growth.

<sup>45</sup> <https://www.theguardian.com/politics/2016/jun/13/uk-adults-computer-basic-digital-knowhow>



## Appendix 1: Groups in society who do not share in the benefits of personal, social and economic growth

**Research evidence clearly shows there are groups in society who do not share in the benefits of personal, social and economic growth to the same extent as others. The negative impact of this on individuals, communities and the economy is clear. Employment barriers can be characterised as follows:**

- **Educational level** predicts life expectancy, and disability-free life expectancy –this is unevenly distributed across the social spectrum.<sup>46</sup> People from lower socio-economic groups are less likely to take part in education and training, especially if they have had earlier negative experiences.
- Currently, 22 per cent of all individuals in Yorkshire and the Humber live in **poverty** (AHC) – defined as having an income below 60 per cent of the UK median income. This rate is the 3<sup>rd</sup> highest in England, lower than in London and equal to the North East and North West, but is higher than the remaining 6 UK regions.<sup>47</sup>
- Individuals with **multiple employment barriers** – this significantly reduces their likelihood of finding employment. In 2005, a study found two out of three welfare recipients indicated two or more barriers and multiple barriers that significantly limited employment outcomes.<sup>48</sup>
- **Rurality** poses particular challenges – for people looking for work, employers/employees and those organisations that support them. People living in rural areas appear to have less access to training and development, as do those in deprived areas elsewhere, and those from lower socio-economic groups (Green et al, 2016).<sup>49</sup> In some cases, limited local options or travel to work can make it difficult for people to secure sustainable employment, develop their skills and/or progress their learning and work without moving. Distance, and the economics of delivering learning and/or employment support services to sparse populations, creates further problems. Rural circumstances may impede the employability of those with low or no skills and qualifications, and other groupings adversely affected such as people with disabilities, carers, minority ethnic groups, migrants, travellers and gypsies, older working age groups and lone parents.<sup>50</sup>
- The residents of Yorkshire and The Humber are most likely to experience **poor working lives outcomes**<sup>51</sup>, with nearly a quarter of local areas in this region ranking in the worst-performing 10 per cent in England. The availability of top jobs is crucial to determining success at this life stage, but these jobs are clustered in London and the South East. In these areas, 35 per cent of people are in professional employment, compared with 26 per cent in Yorkshire and The Humber and the North East (page 79)

<sup>46</sup> Marmot, M. (2015). *The Health Gap: The challenge of an unequal world*. London: Bloomsbury.

<sup>47</sup> DWP, Households Below Average Income, 2015/16 , Tables 3.17 and 3.18ts, 4.16 and 4.17ts

<sup>48</sup> Nam, Y. (2005). The roles of employment barriers in welfare exits and re-entries after welfare reform: Event history analyses. *Social Service Review*, 37, 268–291.

<sup>49</sup> Green et al. (2016) *The UK's Skill System: Training, Employability and Gaps in Provision*, Coventry: University of Warwick, Institute for Employment Research (IER). August 2016

<sup>50</sup> Hughes et al (2015) *Hard Times: Smoothing transitions in the Employment and Support Allowance Customer Journey*, Coventry: University of Warwick, Institute for Employment Research (IER) -

<http://www.prospects.co.uk/Portals/0/PDFs/Hard%20Times%20Report.pdf>

<sup>51</sup> State of the nation 2017: Social Mobility in Great Britain, 28<sup>th</sup> November 2017

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/662744/State\\_of\\_the\\_Nation\\_2017\\_-\\_Social\\_Mobility\\_in\\_Great\\_Britain.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/662744/State_of_the_Nation_2017_-_Social_Mobility_in_Great_Britain.pdf)

- Yorkshire and the Humber performs poorly in terms of social mobility, with below-average outcomes from early years through to working lives (page 102). The region performs particularly badly in relation to working lives outcomes. Nearly a quarter of local authorities in this region rank in the worst-performing 10 per cent of authorities for this life stage – with Richmondshire and Kingston upon Hull performing the most poorly, in part due to much lower rates of home ownership compared with the rest of the region. Yorkshire and The Humber has the third joint highest percentage of jobs which are paid less than the real living wage at 26 per cent, with only York, Sheffield, Leeds and Calderdale having rates of less than 25 per cent. The region has lower than average rates of residents in top jobs and median weekly salaries are also relatively low. There is a need for a broader range of better-quality entry entry-level jobs and progression routes in the towns and cities throughout the region (p.104).<sup>52</sup>
- **Older people** living in deprived neighbourhoods are significantly more likely to experience difficulties than those in less deprived neighbourhoods,<sup>53</sup> with high-status people experiencing the vitality of people fifteen years younger at the bottom of the social gradient. In turn, a lack of mobility exacerbates social isolation, has a negative impact upon health and diminishes participation in education and leisure activities.
- There is a relationship between **homelessness** and mortality, with the average life expectancy for homeless people being 47.<sup>54</sup> As in other marginalised groups, the incidence of mental health problems among homeless people (four in five) is much higher than in the general population (one in six).
- Over half (54%) of all disabled people who are **out of work**, experience mental health and/or musculoskeletal conditions as their main health condition.<sup>55</sup>
- **Inter-generational factors**, such as the relationship between parents and children, between grandparents and grandchildren, between the cared-for and their carers and between community residents of all ages, *also* impact significantly on people's lives. The environmental conditions in which individuals experience life have a profound effect upon their physical and mental health and well-being.<sup>56</sup>
- Almost 1 in 3 working-age people in the UK have a long-term **health condition** which puts their participation in work at risk.<sup>57</sup> Absence from work annually costs the Government around £13bn in health-related benefits and £2bn in healthcare, sick pay and foregone taxes. Employers' share of sick pay amounts to around £9bn, while individuals lose out on earnings of £4bn per year.<sup>58</sup>
- There are almost 47,000 **carers** in Yorkshire and the Humber. Of those carers, 105 (0.1%) are under 18, with another 24,350 (52%) aged 18-64 (NHS Digital)<sup>59</sup> – Wales has the highest proportion of carers aged under 18 in the UK (2.6%) (UK Census, 2011). Young adult carers are juggling the

<sup>52</sup> Clifton J, Round A, Raikes L (2016) Northern Schools: Putting education at the heart of the Northern Powerhouse. IPPR North.

<sup>53</sup> Lang, I. A., Llewellyn, D. J., Langa, K. M., Wallace, R. B. & Melzer, D. (2008). Neighbourhood Deprivation and Incident Mobility Disability in Older Adults. *Age and Ageing*, 37, pp. 403–10.

<sup>54</sup> Crisis. (2011). *Homelessness: A silent killer: A research briefing on mortality amongst homeless people*. London: Crisis.

<sup>55</sup> DWP/DoH (2016) *Work, health and disability: Green Paper*, London: Department for Work and Pensions and Department of Health. Retrieved from: <https://www.gov.uk/government/consultations/work-health-and-disability-improving-lives/work-health-and-disability-green-paper-improving-lives>

<sup>56</sup> Rutter, M. (2005) How the environment affects mental health, *The British Journal of Psychiatry*, January 2005, 186 (1) pp. 4-6. Retrieved from: <http://bjp.rcpsych.org/content/186/1/4>

<sup>57</sup> Office for National Statistics. *Labour Force Survey, Q2 2016*; 2016

<sup>58</sup> All-Party Parliamentary Group on Wellbeing Economics (2014). *Wellbeing in Four Policy Areas: A discursive exploration of the relationship between the arts and wellbeing* in Billington, J., Fyfe, H., Milling, J. & Schaefer, K. (2011). *Connected Communities: Participatory arts and well-being past and present practices*. Universities of Exeter and Glamorgan

<sup>59</sup> NHS Digital; *Community Care Statistics, Social Services Activity, England; 2015-16*, Final Release: Regional Tables: Yorkshire and the Humber

responsibilities of caring with the difficulties that come with that period of transition from school to college, college to university or education to employment.<sup>60</sup>

- **Black Asian Minority Ethnic (BAME)** communities are less likely to seek access to psychological therapies, therefore, opportunities for early intervention are being missed. This means that the first contact members of BAME communities have with mental health services may well be detention under the Mental Health Act, causing unnecessary distress and placing pressure on acute services.<sup>61</sup>
- Around 1 in 5 of the working-age population has a **mental health** condition.<sup>62</sup> While the intended parity of esteem between mental and physical health has not yet been fully realised, recognition of this inter-relationship is highly relevant. In 2017, a survey of 2,290 people commissioned by the Mental Health Foundation found that nearly three quarters of people within the lowest household income bracket reported poor mental health (compared to three fifths in the highest bracket).<sup>63</sup> We know that the causes of poor health are many i.e. a complex interaction between personal, financial, social and environmental factors.
- The NHS Learning Disabilities Observatory in its 2016 annual report<sup>64</sup> on people with disabilities in England<sup>65</sup> identifies there were more than 250,000 people on GP learning disability registers in 2015, with 117,000 receiving some form of local authority-supported non-residential services. There were also 70,000 children requiring Special Educational Needs (SENs). There were 2,430 Children in Need with a learning-associated disability in Yorkshire and the Humber, which as a 0.21% share of children was the third highest among England's region. 6.6% of Adults in the region are living Learning Disabilities known to local authorities in employment. This is the 4<sup>th</sup> highest level in England.
- Being marginal in society has a harmful effect upon health and well-being.<sup>1</sup> Careers guidance services can have an important role in addressing marginalisation; the starkest case being new **migrants and/or refugees** (Bryers et al, 2014).<sup>66</sup>

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<sup>60</sup> [https://carers.org/sites/files/carustrust/related\\_documents/timetobeheardcampaign\\_english.pdf](https://carers.org/sites/files/carustrust/related_documents/timetobeheardcampaign_english.pdf)

<sup>61</sup> Fitzpatrick, R., Kumar, S., Nkansa-Dwamena, O. & Thorne, L. (2014). *Ethnic Inequalities in Mental Health – Promoting Lasting Positive Change: Report of findings to Lankelly Chase Foundation, Mind, The Afya Trust and Centre for Mental Health*. London: LankellyChase Foundation.

<sup>62</sup> McManus S, Bebbington P, Jenkins R, Brugha T. (eds.). *Mental health and wellbeing in England: Adult Psychiatric Morbidity Survey; 2016*. See also: - Office for National Statistics. Labour Force Survey, Q2 2016; 2016.

<sup>63</sup> Mental Health Foundation. (2017). *Surviving or Thriving? The state of the UK's mental health*. London: Mental Health Foundation, p. 21.

<sup>64</sup> <http://gov.wales/docs/statistics/2016/161026-local-authority-registers-people-disabilities-31-march-2016-en.pdf>

<sup>65</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/613183/PWLDIE\\_2015\\_data\\_tables\\_NB090517.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/613183/PWLDIE_2015_data_tables_NB090517.pdf)

<sup>66</sup> Bryers, D., Winstanley, B., and Cooke, M. (2014) Whose Integration? In *Language issues in migration and integration: perspectives from teachers and learners*, London: British Council pp.20-34