

YEG discuss Levying Up Apprenticeship Levy Report

The March meeting of the Youth Employment Group included a YEG chair update, a debrief on the latest labour market stats, a hot off the press Spring Budget Bumper Policy Update, updates from members as well as research presentations from City & Guilds, The Prince's Trust, Skills Builder and Career Connect.

Latest labour market stats – Naomi Phillips, Deputy Chief Executive and Director of Policy and Research, Learning and Work Institute

Naomi presented the headlines from the latest Office for National Statistics monthly labour market stats. You can read the Learning and Work Institute's March Labour Market analysis [here](#).

- The Office for Budget Responsibility has forecast that inflation will decrease by more than a half by the end of the year, which could have a significant effect on things like the cost of living. However, analysis by the Learning and Work Institute shows that real earnings remain depressed.
- Due to weak growth, average earnings are £11,000 a year lower than if pre-financial crisis trends had continued and real wages remain low.
- Nearly one million young people (985,000) are neither in employment or full-time education and the latest stats show that the unemployment rate for young people aged 18-24 has begun to rise from a low point in June 2022.
- There is a concerning longer-term picture, with fewer young people entering the labour market due to demographic changes in our population. There are also fewer young people able to work. This, combined with inactivity levels for young people, marks a wider concern for the economy both in terms of the personal impact on young people and how jobs of the future will be filled.

City & Guilds and 5% Club Levying Up Apprenticeship Levy Report – Amber Ainsworth, Communications Manager, City & Guilds

Amber presented the Levying Up report produced by City & Guilds and The 5% Club. The research came about due to the dissatisfaction with the Apprenticeship Levy expressed by employers about the large underspends. This coupled with the drop in apprenticeship starts highlights that the system clearly isn't working.

Read the full report [here](#).

Summary of findings:

- 55% of Apprenticeship Levy funding has been spent by employers in the last five years
- 96% of UK businesses would like to see a change in the Levy
- Only 15% of employers are able to recruit the skilled people they need at this moment in time
- 18% of employers state that access to the apprenticeship system contains too much bureaucracy and administration
- 19% of employers say they cannot commit to the length of time apprenticeships take

- 4 in 10 employers said they'd prefer to shift to a 50:50 model with a broader skills levy, whereby half of the Levy is ringfenced for apprenticeships and the other half is more flexible.

The Prince's Trust NatWest Youth Index 2023 – Niall Mann, Senior Media Relations Manager, The Prince's Trust

Niall Mann presented *The Prince's Trust Natwest Youth Index*. The Youth Index is the Prince's Trust core annual research, looking at different aspects of young people's life including gauging overall wellbeing, happiness and confidence in nine key areas of their life.

Read the full [report](#).

Summary of key findings:

- 44% of young people say they feel anxious on a daily basis about the cost of living crisis, with over half saying the cost of living crisis will have a worse impact on their life than the pandemic and almost half of young people saying they were worried about the impact of a recession on their job security
- Between 25% and 33% of young people suggested help with getting better qualifications, getting the right work experience, financial support on route to employment would improve their outcomes
- 64% said a good quality stable job would improve their mental health
- When asked about life goals, young people cited their top three concerns as financial security, good mental health, and then (jointly) raising a family, owning a home and a good quality job.
- 1 in 3 young people not in education, employment or training (NEET) said getting into work was their key priority in life

The next YEG meeting will be held on Wednesday 26 April, 2-3pm.
