

# YOUTH OPPORTUNITY INDEX

**Youth Commission Report 2**

Stephen Evans & Corin Egglestone  
October 2018

Published by Learning and Work Institute

4<sup>th</sup> Floor, Arnhem House, 31 Waterloo Way, Leicester, LE1 6LP

Company registration no. 2603322 | Charity registration no. 1002775

Learning and Work Institute is an independent policy and research organisation dedicated to lifelong learning, full employment and inclusion.

We research what works, develop new ways of thinking and implement new approaches. Working with partners, we transform people's experiences of learning and employment. What we do benefits individuals, families, communities and the wider economy.

We bring together over 90 years of combined history and heritage from the 'National Institute of Adult Continuing Education' and the 'Centre for Economic & Social Inclusion'.

[www.learningandwork.org.uk](http://www.learningandwork.org.uk)

@LearnWorkUK

@LearnWorkCymru (Wales)

All rights reserved. No reproduction, copy or transmission of this publication may be made without the written permission of the publishers, save in accordance with the provisions of the Copyright, Designs and Patents Act 1988, or under the terms of any licence permitting limited copying issued by the Copyright Licensing Agency.

## ABOUT LEARNING AND WORK INSTITUTE

Learning and Work Institute (L&W) is an independent policy and research organisation dedicated to promoting lifelong learning, full employment and inclusion. We research what works, develop new ways of thinking and implement new approaches. L&W brings together more than 90 years history and heritage from the National Institute of Adult Continuing Education (NIACE) and the Centre for Economic and Social Inclusion (Inclusion).

## ABOUT THE YOUTH COMMISSION

The Commission on Education and Employment Opportunities for Young People (Youth Commission) is considering the current education and employment prospects for young people, the likely impact of changes in policy and the labour market, and proposing new ideas for ensuring all young people have access to opportunity. It will run for one year and is kindly supported by Association of Colleges, Capital City Colleges Group, London South Bank University, NOCN and Prospects. Its commissioners are: Kate Green MP, Maggie Galliers CBE, Amy King and Jo Maher.

Further details of the Youth Commission and its work can be found on our [website](#).

### Supported by



## Table of Contents

ABOUT LEARNING AND WORK INSTITUTE .....	2
ABOUT THE YOUTH COMMISSION .....	2
EXECUTIVE SUMMARY .....	4
INTRODUCTION .....	7
CONSTRUCTING THE INDEX .....	8
THE BEST PLACES TO BE YOUNG .....	12
UNDERSTANDING LOCAL VARIATION .....	17
THE WIDER CONTEXT .....	23
CONCLUSION .....	25

# EXECUTIVE SUMMARY

The **Youth Commission aims to find ways to improve education and employment opportunities** for England's 16-24-year olds. Our first report identified five key challenges:

- Better supporting 700,000 young people not in education, employment or training;
- Increasing the number of people qualified to at least Level 3;
- Improving attainment in literacy and numeracy and other basic skills;
- Creating a diversity of higher level learning routes through life; and
- Support job quality, career progression, and economic security.

This report creates a **new Youth Opportunity Index**, a relative measure of education and employment outcomes for young people across England's local authorities.<sup>1</sup> Each local authority's score reflects how far its performance on that variable is from the highest scoring area. Results are driven by the strength of local economies, socioeconomic factors and national policies, as well as local services. They reflect education and employment outcomes for young people living in local authority areas, rather than solely the success of those local authorities.

## London is the big success story

The **London Borough of Sutton ranks as the best overall place** for education and employment opportunities for young people, while **Nottingham is bottom of the list**. London is the big winner, with ten of its boroughs in the top 20 overall. This largely reflects outstanding success over recent decades in improving the education system in London.

Beyond this, the picture is mixed. There is **no clear north-south divide**, instead the differences within regions are at least as big as those between regions. For example, Buckinghamshire is second behind Sutton, but Trafford is third. Nottingham and Kingston upon Hull are the bottom two, but Brighton and Southampton are also in the bottom ten. Each region apart from the North East has a local authority in the top 30, while every region apart from the South West and London has a local authority in the bottom 30.

There is also **no clear urban-rural split**, though more deprived urban areas are more likely to score lower in the Index. **Poverty and deprivation are perhaps the clearest predictors** of poorer performance in the Index, suggesting a need to support and improve

---

<sup>1</sup> The 152 local authorities with responsibility for education, minus the City of London and Isles of Scilly for whom survey sample sizes are too small to give results.

education and employment opportunities in these areas. Even here there is variation, with Oldham and Blackburn scoring better than other areas with similar levels of deprivation.

## Understanding local variation

Local authorities that score well on one **education measure** tend to score well on all of them, and this translates through into strong scores on the overall Youth Opportunity Index. There are exceptions, however, such as Rutland which scores well on Attainment 8 (a measure of attainment of GCSE level qualifications) but less well on Level 3 (A Level equivalent) attainment and access to higher education. Here the data highlights parts of the education system that local authorities and others may want to focus on.

**Apprenticeship** take up varies from more than 4% of 16-24-year olds in Cumbria to fewer than 1% in some London boroughs. In part this reflects different education and labour market patterns. In general (though this is not universally true) local authorities that perform well on apprenticeships tend to have lower scores on the other education measures and vice versa. This highlights the importance of apprenticeships to social justice, but also the value of ensuring apprenticeships are a widely used and recognized routeway in all parts of the country.

**Employment rates** and **net underemployment rates** highlight how labour market challenges for young people vary. Areas such as Bracknell Forest and Surrey score well on both measures. Areas like Hartlepool and Telford and Wrekin score poorly on both measures. Meanwhile some areas (e.g. West Sussex) have more of an employment challenge, while for others (e.g. Leicestershire) net underemployment is a bigger challenge. The proportion of 16-17-year olds **not in education, employment or training** (NEET) varies from 0.6% in Rutland to 6.1% in Telford and Wrekin. Thirteen of the twenty local authorities with the lowest rates of 16-17 year olds NEET are London boroughs.

## The wider context

There is some correlation between the Department for Education's **Opportunity Areas** and those areas scoring lower in the Youth Opportunity Index. For example, Blackpool and Derby are in the bottom 20 of the Index. However, the different range of indicators used in the Index, including for the labour market, means this does not hold universally. For example, Oldham does better in the Index than other Opportunity Areas.

A patchwork of **devolution** is underway, including in some places the adult education budget and Work and Health Programme, as well as forthcoming consultation on the design of the Shared Prosperity Fund. In addition, local authorities have 'soft' powers as conveners of local stakeholders and businesses.

The Youth Opportunity Index offers new data and analysis to help identify the key challenges for young people that need to be tackled by local authority and to track progress against these over time. The development of **Local Industrial Strategies** offers potential to draw these together into a coherent whole.

# INTRODUCTION

How do young people's opportunities to learn and work vary across the country?

The first report of the Youth Commission showed the headline outcomes for England's six million 16-24-year olds. On average they stay in education for longer than previous generations before entering the labour market, and most find their feet in the world of work. But too many still miss out, with relatively poor basic skills and Level 3 (A Level equivalent) attainment compared to many comparator countries.

The report identified five key challenges that will be the focus of the Youth Commission's work: engaging 700,000 young people not in education, employment or training; increasing the proportion of young people qualified to at least Level 3; improving literacy, numeracy and other essential skills; building a diversity of higher level learning routes throughout life; and supporting job quality, career progression and economic security.

Beneath the headline facts lie six million individual stories. Opportunities and outcomes vary significantly by demographic group and geographical area. This second report of the Youth Commission aims to quantify and better understand these inequalities. It does so by constructing a Youth Opportunity Index for each of England's 150 local authorities.

The Youth Opportunity Index brings together data on achievement at age 16 (Key Stage 4), attainment of Level 3 by age 19, access to higher education, take up of apprenticeships, employment rates, a measure of the quality of work (net underemployment), and the number of 16-17-year olds not in education, employment or training.

It shows a fascinating picture and allows us to dig down below the surface to understand where the opportunity gaps are largest and what is driving them. They are the result of socioeconomic factors, economic circumstance and national policy, as well as local services. You can explore the data using interactive maps which can be found at: <https://www.learningandwork.org.uk/youth-commission/>.

The remainder of this document sets out how the Index is constructed, analyses its results, and sets these in the context of other measures and initiatives.

The Youth Commission will be exploring what is going well in those areas scoring highly in the Index and considering some of the challenges and solutions in those areas where outcomes are less good. This will help to inform its final recommendations.



## CONSTRUCTING THE INDEX

- The Youth Opportunity Index looks at data for seven key education and employment variables. It includes new, previously unpublished data for employment and net underemployment.
- An index is produced for each variable. The local authority with the best results in the country for that variable scores 100. Other local authorities get a score below 100, based on how far away their performance is from the best. This gives a measure of each local authority's results compared to the highest scoring. It also allows us to better compare across measures – otherwise we would be comparing apples with oranges.
- The indices for each variable are then combined into an overall score. Each variable is given equal weighting in this overall score. If a local authority scored highest in every variable, they would score 100 overall. This overall Youth Opportunity Index score shows how far from this 'perfect score' on all variables outcomes in each local authority are.
- No measure is perfect, but the Index and its components provide a picture of how education and employment opportunities and outcomes vary by local authority. Importantly these are the product of national factors and socioeconomic circumstance, as well as local services.

The Youth Opportunity Index takes data across seven variables, with more detail shown in Table 1:

- **Key Stage 4.** This reflects attainment of GCSE-level qualifications, a foundation for work and further learning;
- **Level 3.** This A Level equivalent is increasingly required for employment and career progression and, on average, increased earnings;
- **Higher education.** This is critical to access to an increasing proportion of jobs, particularly at higher levels;
- **Apprenticeships.** These can be a great way to combine earning and learning
- **Employment.** The first Youth Commission report showed how employment opportunities vary across the country and by demographic group;
- **Net underemployment.** This is a proxy for the quality of work and job match for young people, looking at the balance between the numbers wanting to work more hours and the numbers wanting to work fewer hours;
- **Not in education, employment or training.** This is the proportion of 16-17-year olds not in education, employment or training (NEET).

Of course, while a significant focus is on the labour market here, access to learning and education has a range of wider and deeper benefits for individuals and communities and so is a good thing in its own right.

**Table 1: Youth Opportunity Index variables and data sources**

<b>Variable</b>	<b>Reason</b>	<b>Data source</b>
Key Stage 4	Attainment at these levels is a key determinant of future education and employment opportunities	Attainment 8 measures GCSE-level qualifications by young people resident in a local authority. There are other measures, but this reflects attainment. Latest data is for 2016-17
Level 3	Required for an increasing proportion of jobs and, on average, is linked to improvements in wages	The proportion of young people resident in a local authority qualified to Level 3 by age 19. Published annually by the Department for Education, the latest data is for 2017
Higher education	Increasingly required for many jobs on average linked to higher wages	Proportion of 15-year olds in a local authority entering higher education by age 19. Annual data published by HESA, latest data is 2014-15
Apprenticeships	Apprenticeships are a way to combine earning and learning and a policy priority for the main parties	Data on apprenticeship starts for 16-24-year olds in each local authority is divided by the 16-24 population to calculate an Apprenticeship Participation Rate. Data is for 2016-17
Employment	Unemployment when young has longstanding impacts. <b>This is new data for this Index</b>	Employment rates for 23-28-year olds by local authority from the ONS. This helps account for the effect of university working patterns and gives a large enough sample size for results by local authority
Net underemployment	This gives one measure of the quality and security of work. <b>This is new data for this Index</b>	Under-employment rate (those wanting to work more hours at current hourly salary divided by number who expressed a view) minus over-employment rate (those wanting to work fewer hours for a reduced salary divided by the number who expressed a view). Age range of 23-33 used for sufficient sample size and to account for impact of university
Not in education, employment or training	Shows number of 16-17-year olds missing out on work and education	Department for Education figures showing proportion of 16-17-year olds not in education, employment or training

A widely used technique is then used to combine this raw data into an overall Youth Opportunity Index.

Firstly, the data for each variable for each local authority is converted into an index. The local authority with the highest score in each variable is awarded 100. Each other local authority is given a lower score, depending on how far below the best performing they are. This allows a comparison of relative performance across a range of variables each of which is measured in different units.

For example, Redbridge has the highest proportion (75%) of young people attaining Level 3 by age 19. It gets an index score of 100 for this variable. Other local authorities are then scored less than 100 depending on how much lower the proportion of young people gaining Level 3 by age 19 is compared to Redbridge. Harrow has the second highest proportion, at 73% so it gets an index score for this variable of 96. Somerset is relatively mid-table at 57% so gets an index score of 55.

Following this process, each local authority has seven index scores – one for each of the variables in Table 1. This allows a comparison of performance by variable across local authorities.

The overall Youth Opportunity Index is calculated by combining the seven index scores into an overall index for each local authority. Each variable is given equal weight. The best possible score is 100. A local authority would get this if they were the top ranked in each of the seven variables.

The results show how education and employment opportunities and outcomes for young people vary across the country. These are the result of a range of factors including the nature of the local economy, socioeconomic and demographic circumstance, national policy, and local services.

### **Sensitivity analysis**

There is no right or wrong way to produce such an Index – each variable represents a choice and so the Index gives an indicative picture of education and employment outcomes for young people.

For example, using employment rates for 23-28-year olds avoids some local authority results being distorted by patterns of working during university study, but means the results reflect the employment outcomes where young people are living during this age range, rather than where they grew up. Similarly, using net underemployment (rather than gross underemployment) gives a sense of the balance between under and over employment between local authorities, but could hide large differences (for example, zero

net underemployment could be the result of large underemployment and large overemployment, or low levels of both).

To test the impacts of some of the choices made, sensitivity analysis was conducted. This showed:

- **Education variables.** One risk is that the three education variables could be closely correlated (good GCSE-equivalent performance is needed to go on to A Level equivalent) meaning an effective triple weighting in the Index for the Attainment 8 measure. Using an average of the three measures (in effect reducing their weighting so they account for a smaller proportion of the total index score) led to a mean change of three in overall Index scores. This is not huge, but reasonably significant in the context of the overall spread of Index scores. We took the decision to maintain the three measures given that the results with reduced weighting for each were not wildly different and given how important education is vital for future employment opportunity, suggesting the need for a high weighting for these factors;
- **Measures of education.** Replacing Attainment 8 with attainment of a strong pass (grades 9-5) in GCSE English and maths did not significantly change the overall rankings (on average a change in index score of one, though some local authorities were more affected). Attainment 8 is a new measure, but a broader one than GCSE English and maths alone; and
- **Net underemployment.** Using gross underemployment instead of net underemployment led to a mean difference in index score of five, a significant change. This choice of variable came down to a judgment call. Gross underemployment is a valid measure to use. However, net underemployment gives a sense of the overall balance between the number of hours young people want to work at their current hourly wage rate versus those they are actually working.

Making all of these changes together led to some changes in ranking. But it did not affect those placed top and bottom of the rankings, nor the overall patterns described in the following chapters.

Ultimately, the Youth Opportunity Index is not meant to provide the definitive measure of education and employment opportunities for young people – there is no such thing and no right or wrong choice of which variables to include.

It does, however, provide a clear indication of how education and employment outcomes vary for young people living in different parts of the country. Further information and analysis is then needed to examine the underpinning drivers of inequalities of outcomes and consider how best to ensure all young people get the best chances in life.

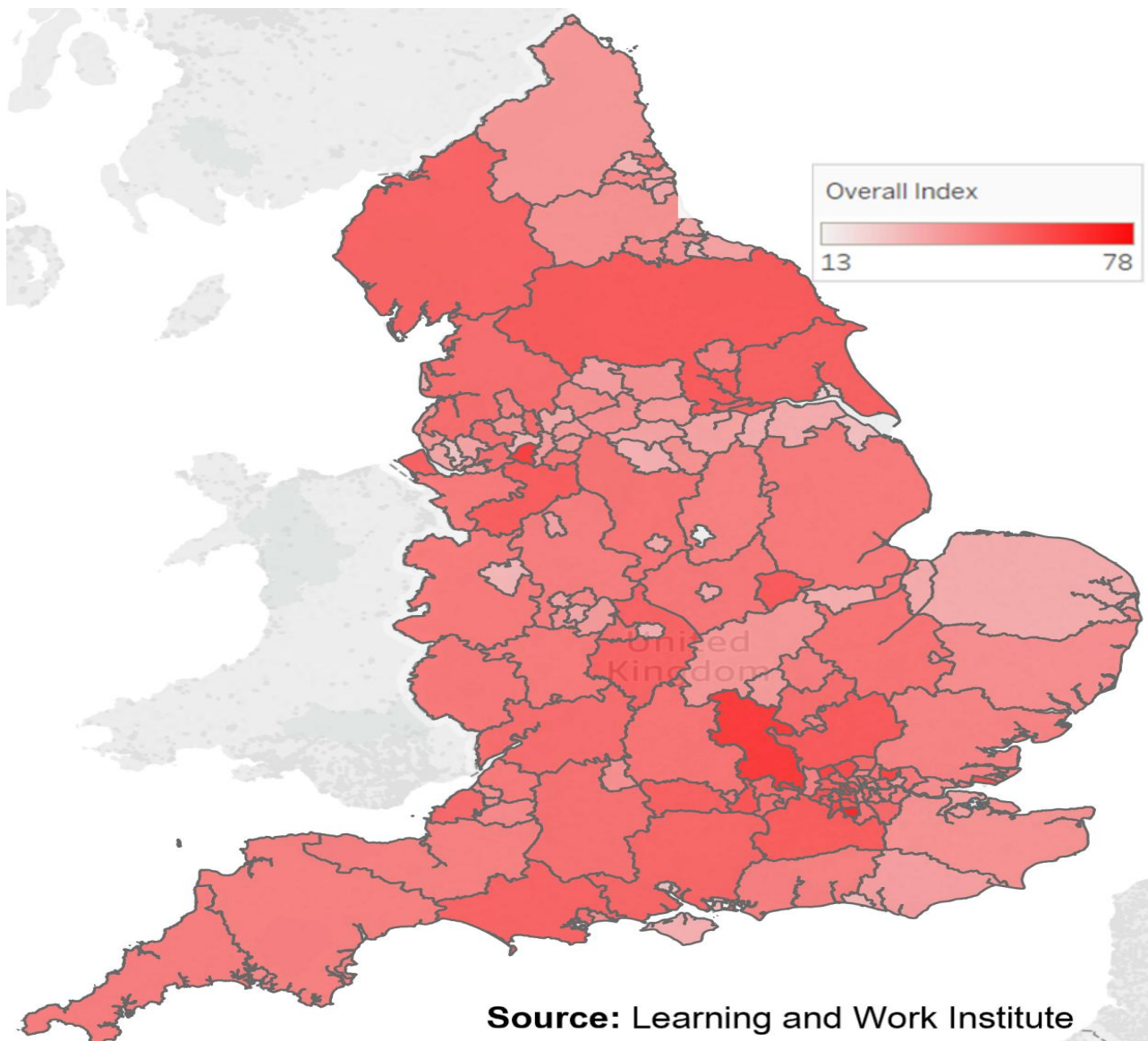
## THE BEST PLACES TO BE YOUNG

- The London Borough of Sutton is the top ranked local authority in England for education and employment opportunities for young people. Nottingham comes bottom
- London stands out as a shining success story. Ten of the top 20 local authorities are London boroughs, powered by the success of the education system which has improved beyond recognition in the last 20 years
- Beyond this there is no simple north-south divide. Each region has high and low scoring areas: differences within regions are at least as important as differences between regions
- There is some evidence of a 'poverty penalty'. More deprived areas such as Kingston upon Hull, Knowsley and Middlesbrough are less likely to have scored well on the Youth Opportunity Index. However some more deprived areas, such as Blackburn, are exceptions to this rule suggesting it is not inevitable
- There is no clear urban-rural divide. Urban London, Trafford and Slough score well, as does more rural Hertfordshire. The lower rankings are more dominated by more deprived urban areas such as Nottingham and Portsmouth, but parts of Lincolnshire and Norfolk feature too.

Overall the London Borough of Sutton comes out as the area with the best education and employment opportunities for young people. Its education scores are strong: it is the highest ranked local authority for overall attainment scores at age 16, one of the best for attainment of Level 3 by age 19, and also ranks well for access to higher education. It does less well (though still above average) for employment rates and net underemployment.

Nottingham is the lowest ranked, scoring relatively poorly on all measures. Figure 1 shows the heatmap for the overall index scores by local authority, with darker colours showing a higher score. As the previous chapter discussed, the maximum score a local authority could get if it were the best in the country for every variable would be 100. The further a score is below 100, the further away from the highest performer a particular local authority is.

**Figure 1: Overall Youth Opportunity Index**



### **A north-south divide?**

London is the big winner of this inaugural Youth Opportunity Index. Ten of the top 20 places are filled by London boroughs. In part this reflects the success of London's schools in the past 20 years – the Attainment 8 and Level 3 by age 19 rankings in the Index are dominated by London boroughs. London, however, scores less well on take-up of apprenticeships (an area of historic weakness for London compared to other regions) and employment rates for young people (though better on net underemployment).

Beyond this, however, there is no simple north-south divide. While Buckinghamshire in the South East comes second in the overall rankings behind Sutton, Trafford in the North West

comes third. Similarly, while the East Midlands's Nottingham and Yorkshire and the Humber's Kingston upon Hull are the bottom two, the South East's Isle of Wight, Brighton and Hove, and Southampton are all in the bottom six.

Each region apart from the North East has a local authority in the top 30, while every region apart from the South West and London has a local authority in the bottom 30. Overall there is at least as much variation within regions as there is between regions:

- London's Sutton claimed the top spot, but Barking and Dagenham is ranked 114<sup>th</sup> out of 150 local authorities;
- In the East Midlands, Nottingham was 150<sup>th</sup> but Rutland was 17<sup>th</sup>;
- In the North East, Middlesbrough is 145<sup>th</sup> but North Tyneside is 67<sup>th</sup>;
- In the North West, Knowsley is 148<sup>th</sup> but Trafford is 3<sup>rd</sup>;
- In the South East, Southampton is 146<sup>th</sup> but Buckinghamshire is 2<sup>nd</sup>;
- In the South West, City of Bristol is 98<sup>th</sup> but Dorset is 27<sup>th</sup>;
- In the West Midlands, Telford and Wrekin is 144<sup>th</sup> but Warwickshire is 29<sup>th</sup>;
- In Yorkshire and the Humber, Kingston upon Hull is 149<sup>th</sup> but North Yorkshire is 15<sup>th</sup>;
- In the East of England, Peterborough was 135<sup>th</sup> but Southend was 11<sup>th</sup>.

### A poverty penalty?

There is some correlation between Youth Opportunity Index rankings and Index of Multiple Deprivation (IMD) rankings.<sup>2</sup>

For example, Figure 2 shows that the twenty most deprived local authorities tend to score less well on the Youth Opportunity Index. Nottingham, Hull and Middlesbrough are examples of this.

Figure 3 shows that the twenty least deprived local authorities tend to score highest on the Youth Opportunity Index. Buckinghamshire, Kingston upon Thames and Rutland are examples of this.

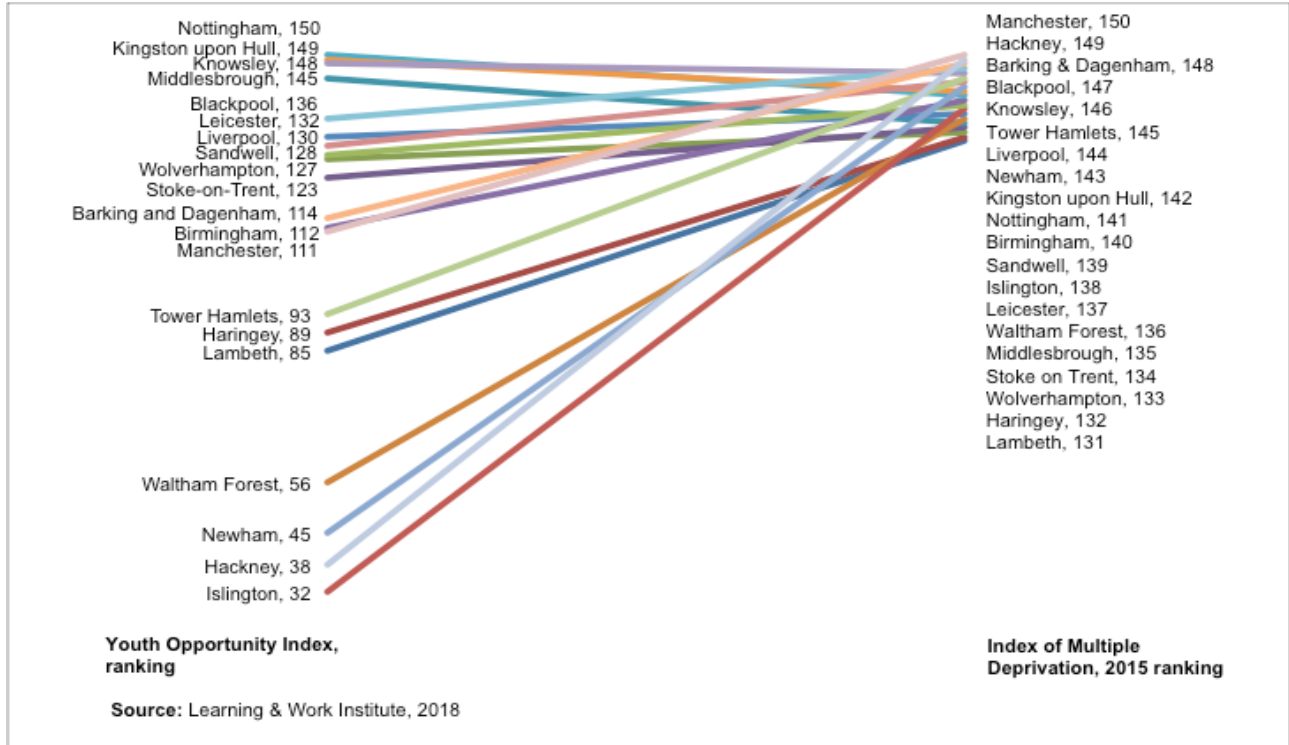
It is noticeable that many local authorities with higher levels of deprivation score highly on apprenticeship take up. The opposite is also true: the least deprived areas of the country tend to have lower apprenticeship take up. This points to the importance to social justice and social mobility of ensuring apprenticeships at all levels are of the highest quality, and of widening take up across all parts of the country.

---

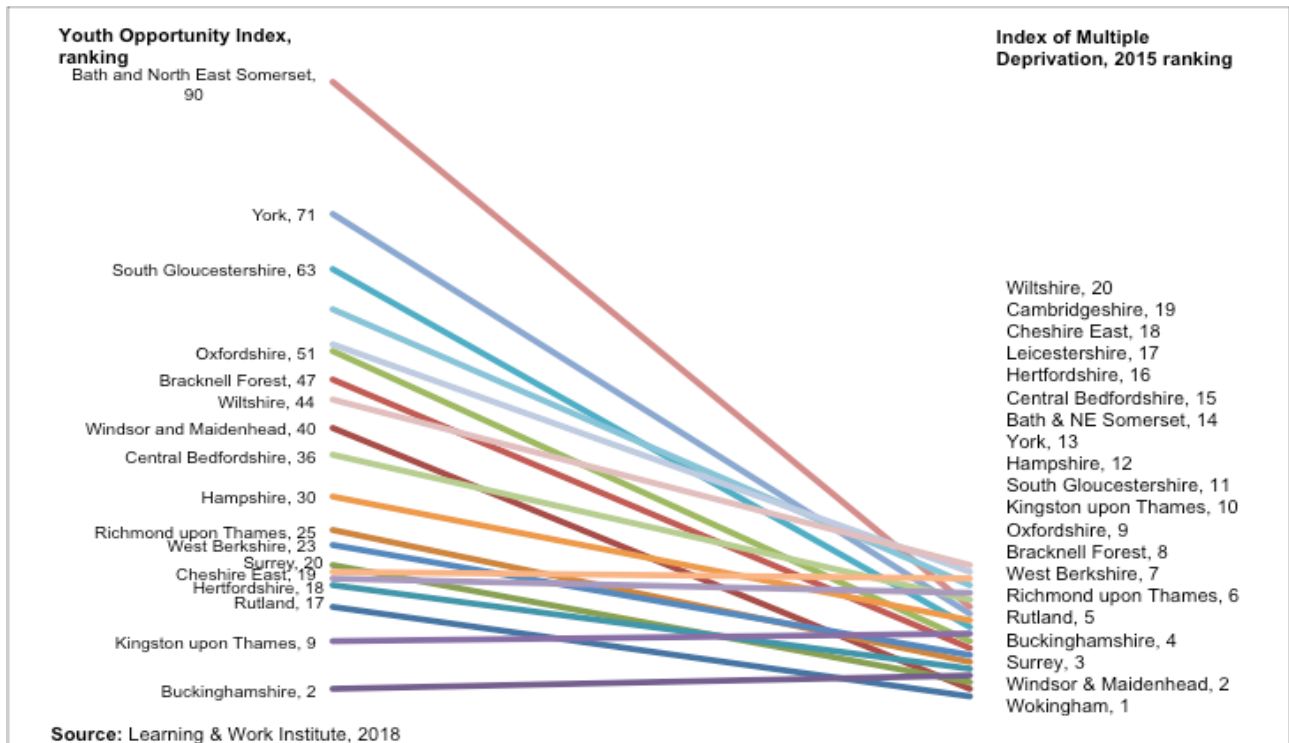
<sup>2</sup> English indices of multiple deprivation 2015, DCLG, 2015.



**Figure 2: Youth Opportunity Index scores for 20 most deprived local authorities**



**Figure 3: Youth Opportunity Index scores for 20 least deprived local authorities**





However, Figures 2 and 3 show a diversity in outcomes: it is not inevitable that more deprived areas will score worse on the Youth Opportunity Index and that less deprived areas will score better.

A number of the twenty most deprived local authorities score relatively highly on the Youth Opportunity Index. London boroughs are the most obvious example of this, including Islington (32<sup>nd</sup> on the Youth Opportunity Index), Hackney (38<sup>th</sup>), Newham (45<sup>th</sup>) and Waltham Forest (56<sup>th</sup>). Birmingham and Manchester also score higher in the Index than their levels of deprivation might suggest if there were a simple correlation.

Similarly, a number of the twenty least deprived local authorities score lower on the Youth Opportunity Index than a simple correlation between deprivation and outcomes might suggest, including Bath and North East Somerset (90<sup>th</sup> on the Youth Opportunity Index), York (71<sup>st</sup>) and South Gloucestershire (63<sup>rd</sup>).

Part of the next stage of the Youth Commission will be seeking to understand these differences further.

One caveat: the employment score in the Index is based on employment rates for those aged 23-33 living in each local authority area. This helps to account for the impact of employment and living patterns of young people going to university. However, there are likely to be young people from some local authorities who move to other local authority areas for work. This does not therefore give a measure of the employment prospects of young people growing up in each local authority. Hopefully the government will develop such measures in the future.

### **An urban-rural divide?**

The first Youth Commission report showed that most young people live in urban areas. Of course, it is important that all young people have access to high quality education and employment opportunities – your chances in life should not depend on where you live.

The Youth Opportunity Index does not show a clear urban-rural divide. As noted above, London boroughs account for one half of the top 20 places in the rankings. However, beyond this the picture is less clear. A number of other urban areas feature both at the top (such as Trafford, Slough and Bury) and bottom (such as Nottingham, Kingston upon Hull and Portsmouth).

Similarly, a number of more rural areas, such as Hertfordshire, feature toward the top of the rankings. The bottom of the rankings contains more urban than rural areas (particularly more deprived urban areas), but some rural areas such as North East Lincolnshire, North Lincolnshire and Norfolk feature here too.

## UNDERSTANDING LOCAL VARIATION

- In general, there is a correlation between performance on **key education measures** and the overall Youth Opportunity Index rankings. There are exceptions, however, such as Rutland which scores well on Attainment 8 but less well on attainment of Level 3 and access to higher education
- **Apprenticeship** take up varies from more than 4% of young people in Cumbria to fewer than 1% in some London boroughs. In part this reflects different education and labour market patterns. It highlights the importance of apprenticeships to social justice and of increasing take-up across the country
- **Employment rates** and **net underemployment rates** highlight how labour market challenges for young people vary. Areas such as Bracknell Forest and Surrey score well on both measures. Areas like Hartlepool and Telford and Wrekin score poorly on both measures. Meanwhile some areas (e.g. West Sussex) have more of an employment challenge, while others (e.g. Leicestershire) have more of a net underemployment challenge. **NEET rates** vary from a low of 0.6% to a high of 6%

This chapter examines the results for each of the Youth Opportunity Index indicators.

### Progression in education

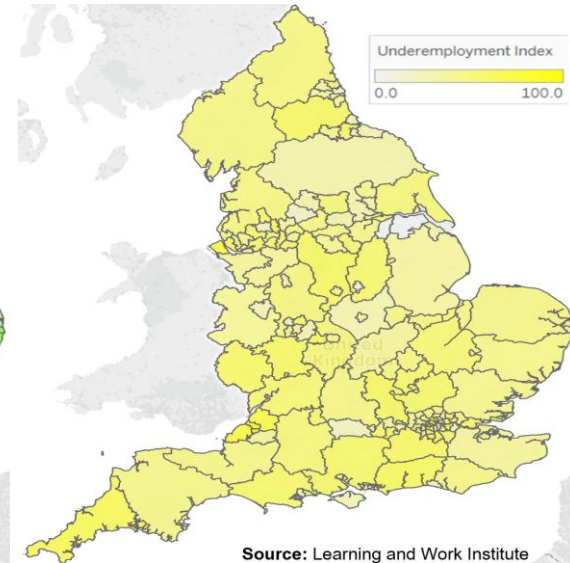
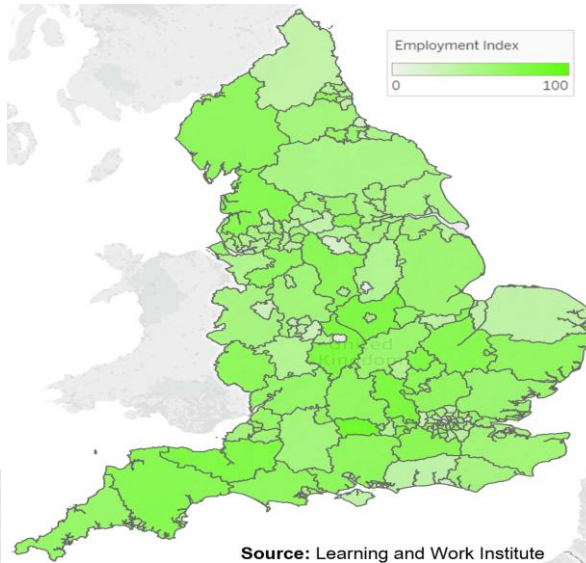
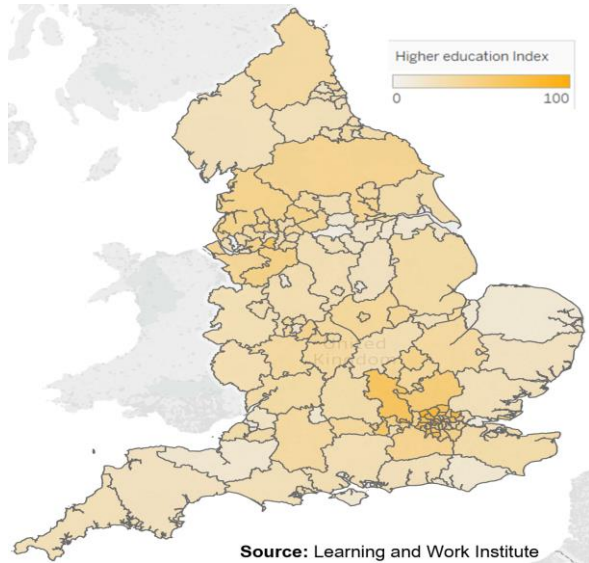
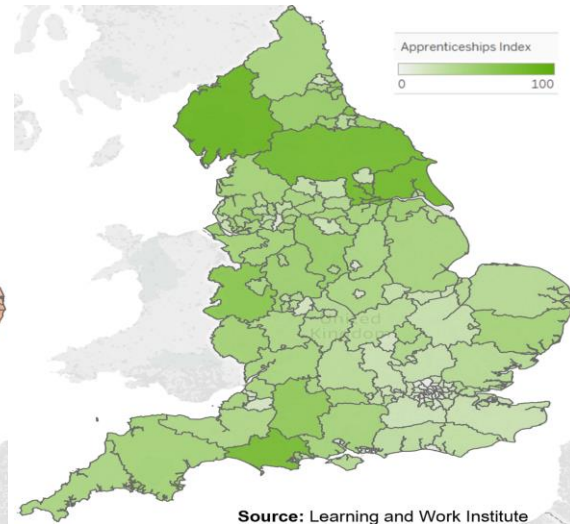
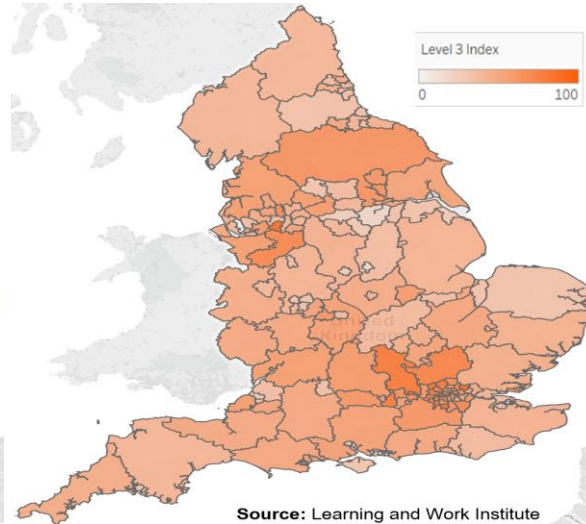
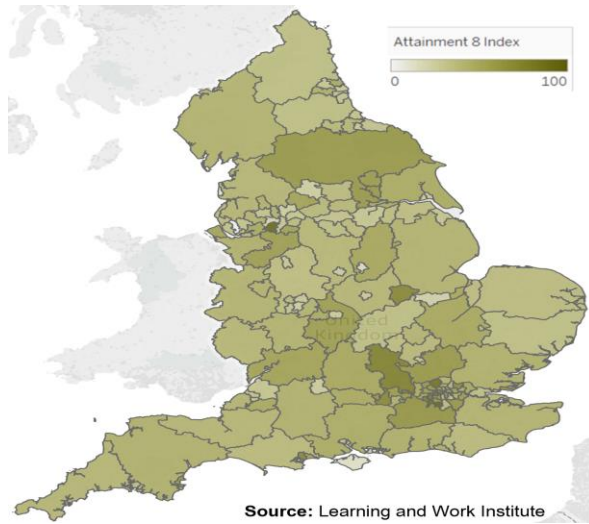
There is a fairly strong correlation between local authorities that do well in the main education variables: Attainment 8; Level 3 attainment; and access to higher education. This is, perhaps, not unexpected. A strong record at age 16 and age 18 would be needed to produce a strong record on higher education access.

There are exceptions to these correlations. For example, Rutland in the East Midlands is ranked ninth on the Attainment 8 measure, but 45<sup>th</sup> on Level 3 attainment and 49<sup>th</sup> on higher education access. Data such as this help to highlight areas where further strengthening in education outcomes is required and how this varies across the country.

For each of these education measures, London fills ten of the top 20 spots – the dramatic improvement in London’s education system over recent decades has driven its leading performance in the Youth Opportunity Index.

In general, local authorities lower in the Index rankings also perform lowest in the key education variables. These include Knowsley, Blackpool, Nottingham and the Isle of Wight. However, some local authorities that perform better overall have poorer education outcomes – it is other variables that are boosting their scores. For example, Swindon is ranked 97<sup>th</sup> out of 150 overall on the Index, but 136<sup>th</sup> for the Attainment 8 measure. This identifies priorities for future action, and in some cases may risk storing up trouble for the future given the increasing links between education and work opportunities.

**Figure 4: Heatmaps for selected Youth Opportunity Index components**



## Apprenticeships

The rankings for apprenticeships show perhaps the greatest divergence from the rankings for other variables. In general, though there are exceptions, local authorities scoring higher in apprenticeships score lower on other variables.

Cumbria is top of the rankings, with 4.3% of its 16-24-year olds undertaking an apprenticeship. East Riding of Yorkshire and West Yorkshire are second and third. These three local authorities are all in the top 25 of the overall Youth Opportunity Index.

London boroughs make up 18 of the bottom 20 places with some having fewer than 1% of young people engaged in an apprenticeship. In part this reflects the predominance of higher education in the capital, as well as higher engagement in other further education routes. However, it also reflects a longstanding challenge to increase apprenticeships in the capital – London has long had lower apprenticeship take up than most English regions.<sup>3</sup>

Digging down below the headline figures, there is relatively little variation in the proportion of young people taking Level 2 or Level 3 apprenticeships – a local authority that scores highly on one is likely to score highly on the other. The number of Higher apprenticeships is limited, reflecting the timing of this data (it relates to 2016-17). It is likely that this proportion will rise over time.

Taken together, this presents two broad conclusions. One is that the pattern of apprenticeship take-up across the country means they can be a driver of social justice if they are of high quality and accessible. The second is that for apprenticeships to be a widely recognised route on a par with other ways of learning, it is important to increase take-up in areas where it is low today. Can we make apprenticeship take-up as common and widespread as take up of other education pathways in all parts of the country?

## Not in education, employment or training

Young people are required to continue to participate in some form of education until age 18. However, 40,000 16-17 year olds are not in education, employment or training (NEET), varying from 0.6% in Rutland to 6.1% in Telford and Wrekin.<sup>4</sup> The North West has a larger number of local authorities with higher NEET rates, while London has more local authorities with relatively low NEET rates. There is a strong correlation between NEET rates and overall Youth Opportunity Index scores. In part these patterns reflect the strength of local markets and levels of deprivation, but this is not universally true.

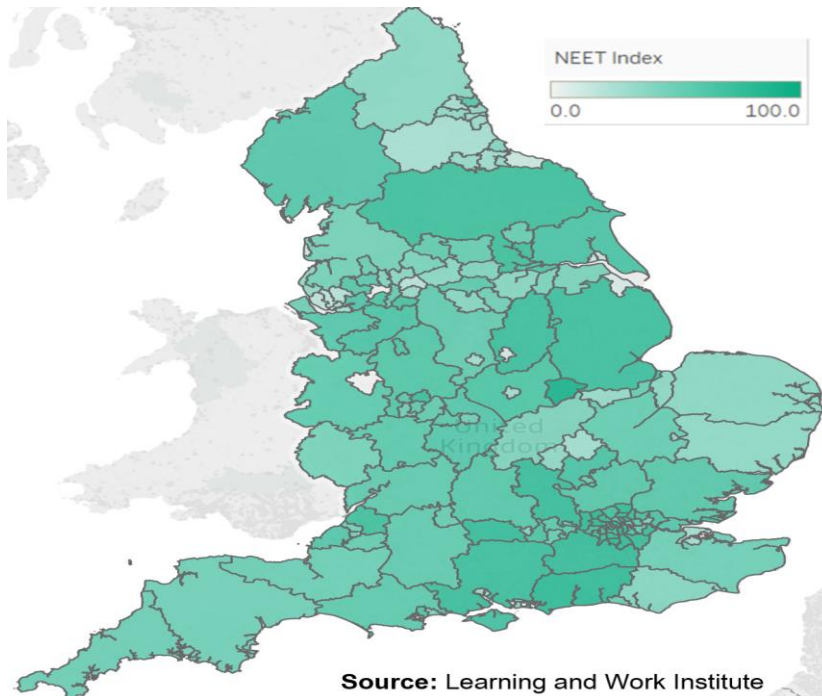
---

<sup>3</sup> Apprenticeships in London: boosting skills in a city economy, Evans, OECD, 2012.

<sup>4</sup> NEET statistics quarterly brief, Department for Education, 2018.



**Figure 5: Heatmap for 16-17-year olds not in education, employment or training**



## Labour market

The two key labour market measures included in the Index are **employment rates** and **net underemployment rates**. Of course, underemployment is just one measure of the quality of work and match between labour demand and supply.

The South East performs best on the **employment measure** filling four of the top ten spots, with West Berkshire first. The employment measure is based on where people live, rather than where they work, so this is perhaps not surprising given the importance of commuting. Most regions have high ranking representatives, for example Leicestershire is fourth. In part, as this is based on employment rates for 23-28-year olds, this may also reflect people's patterns of moving once they find work or complete their education – a measure tracking employment status based on where young people grew up is not currently available.

London is a relatively poorer performer on the employment rate measure, its boroughs filling eight of the bottom 20 slots. This suggests some challenges with supporting young people on the transition from education to work. There are four West Midlands' local authorities in the bottom 20. The West Midlands has a lower working-age employment rate

than many other English regions, and this analysis suggests pockets of relatively weak employment opportunity for young people across the region.<sup>5</sup>

The **net underemployment rates** represent new analysis developed by the Youth Commission. London boroughs perform better on this measure than on employment rates, filling five of the top ten places. This suggests that, while there are more people in London who could work, overall those in work do not want to increase their hours (that is, overemployment broadly matches underemployment). For example, London has long had a lower rate of part-time working than other regions, reflecting both travel times, cost of living and other structural factors. London's relatively poorer performance on the employment measure suggests supporting young people into the labour market is a bigger challenge than tackling underemployment within work.

Net underemployment is highest in areas such as North Lincolnshire, Nottingham, Calderdale and Bolton.

Leaving aside those local authorities in mid table on either or both measures, there are four broad categories set out in Figure 3:

- **Higher employment, higher net underemployment.** Areas such as West Berkshire, Leicestershire and Somerset, have high employment rates but surprisingly high underemployment. This suggests a need to focus more on tackling underemployment and promoting the quality of work;
- **Lower employment, higher net underemployment.** Areas like Nottingham, Hartlepool and Telford and Wrekin appear to have broader labour market challenges and need to focus both on helping more young people into work and tackling underemployment and other quality of work challenges;
- **Higher employment, lower net underemployment.** Areas such as Buckinghamshire, Bracknell Forest and Surrey are in this 'sweet spot', though there may still be big inequalities between geographic areas or demographic groups within these local authorities; and
- **Lower employment, lower net underemployment.** Areas like Westminster, Camden and West Sussex suggest a need to focus on increasing employment, but also that this is possible given there is little underemployment that could be utilised by employers first (though recognising that local labour markets often stretch beyond local authority boundaries).

---

<sup>5</sup> Midlands engine trouble: the challenges facing the West Midlands Combined Authority, Resolution Foundation, 2016.

**Figure 6: Employment and net underemployment**



Interestingly there is not always a strong correlation between scoring well on the education measures and scoring well on the main labour market measures. As noted above, this may reflect people moving if they gain good education results. But it certainly highlights the importance of Local Industrial Strategies and other approaches to ensure all areas benefit from growth and have good local opportunities. The next chapter explores this further.

## THE WIDER CONTEXT

- The Department for Education has identified 12 **Opportunity Areas** with relatively low social mobility and capacity to improve. These are areas that generally rank lower on the Youth Opportunity Index though some, such as Oldham, do better. The Index contains labour market as well as education data, suggesting the need to join up efforts across government departments and policy areas
- **Local Industrial Strategies** are being produced to support implementation of the Government's Industrial Strategy. Investment in and opportunities for young people must be a key part of these. The Index provides new data and insight to help inform local priorities
- A patchwork of **devolution** is taking place, including the adult education budget and Work and Health Programme in some areas. In addition, Local and Combined Authorities have the power to convene stakeholders and join up systems. The Youth Opportunity Index can help to identify challenges and inform priorities

This chapter looks at the overlap between government place-based initiatives to boost opportunity and prosperity and the Youth Opportunity Index.

### Opportunity Areas

The government is focusing some of its education efforts on twelve Opportunity Areas, part of an increasingly place-based focus evident in a number of policy areas. These are: West Somerset; Norwich; Blackpool; North Yorkshire coast; Derby; Oldham; Fenland and East Cambridgeshire; Hastings; Bradford; Stoke on Trent; Doncaster; and Ipswich.

These Opportunity Areas were identified by cross-referencing the Social Mobility Index produced by the Social Mobility Commission with the Achieving Excellence Areas index produced by the Department for Education.<sup>6</sup> The former looks at indicators of social mobility under four headings: early years, school, youth, and adults. The latter combines measures of current school performance with indicators showing capacity to improve.

There is some clear overlap between areas scoring low on the Youth Opportunity Index and areas identified as Opportunity Areas. For example, Blackpool and Derby are in the bottom 20 of our ranking of 150 local authorities. To an extent this is not unexpected given some overlap in the indicators determining both Opportunity Areas and the Youth Opportunity Index.

However, the Index has some broader measures, such as those for apprenticeships and the labour market. This leads to some different results. For example, as noted previously, Oldham does better on the Index than other areas with similar levels of deprivation. This

---

<sup>6</sup> Opportunity Areas selection criteria, Department for Education, 2017.



points to the need to take a wide view on the determinants of opportunity and to take a joined-up approach across government departments and policy areas.

Some of these Opportunity Areas are based on smaller geographical areas than the Youth Opportunity Index uses. However, when looking at the larger geographical areas they are part of and which the Index covers, similar patterns emerge.

### **Local Industrial Strategies**

The government published its Industrial Strategy in December 2017.<sup>7</sup> The Industrial Strategy is its plan to improve our economy's long-term growth potential underpinned by five foundations: ideas; people; infrastructure; business environment; and places.

As part of the 'places' foundation, Local Enterprise Partnerships (LEPs) are being asked to produce Local Industrial Strategies. These will set out how local areas aim to implement the principles of the Industrial Strategy in their own area.

It is important that support for young people is an integral part of Local Industrial Strategies. We hope that the data in the Youth Opportunity Index and analysis of its results will aid local authorities and LEPs in doing this.

### **Devolution**

Devolution is something of a patchwork across England. This includes: devolution of the adult education budget to some areas; devolution of the Work and Health Programme to Greater Manchester and London; and consultation is due to begin shortly on design of the Shared Prosperity Fund which will replace European Social Funds when the UK leaves the European Union.

In addition to formal powers, local authorities and combined authorities have a range of 'soft' powers both through their procurement (e.g. requiring contractors to take on a certain number of apprentices based on contract value) and their convening power.

Each of these can have a powerful impact on education and employment opportunities for young people. We hope that the Youth Opportunity Index provides additional and new data on where the key challenges lie by local authority, as well as a way of tracking progress and the success of initiatives.

Future Youth Commission reports will look at the changes needed to policies and systems, as well as practical examples of making a difference in areas with successful outcomes.

---

<sup>7</sup> Industrial Strategy: building a Britain fit for the future, HM Government, 2017.

## CONCLUSION

The Youth Opportunity Index shows how education and employment opportunities vary across England. London's boroughs are the main success story, but beyond this there is no simple north-south divide or rural-urban split. Deprivation is correlated with poorer performance on the Index, but the examples of some local authorities show this is not inevitable.

Beyond these headlines, the Index provides an insight into those areas performing strongest in education, as well as highlighting some areas with a strong base at school but poor progression in learning beyond this. It also shines a light on how labour market challenges for young people vary – the extent to which low employment and / or high net underemployment are an issue. And it shows the importance of apprenticeships, provided they are of high quality and accessible.

We hope it will prove of use to policymakers and practitioners and provide a tool to measure and support progress – a benchmark for success. It will also help to guide the next phase of work for the Youth Commission, exploring the education and employment challenges more fully and understanding what drives success and where further action is needed.