

# Encouraging employers to offer work placements for NEETs in Stockport

---

Scoping report  
May 18<sup>th</sup> 2021



In partnership with



Cabinet Office



STOCKPORT  
METROPOLITAN BOROUGH COUNCIL



# Contents

---

1. Background
2. Barriers and Facilitators to target behavior
3. Intervention Designs
4. Recommendation
5. Proposed Project Structure & Next Steps
6. References



# Background

---



# Introduction to the project

---

- This goal of the project is to **increase the number of paid work placements for young people not in education, employment or training (NEETs)**.
- Stockport saw a surge in unemployment figures for young people 16-25 years old in 2020 as a result of the coronavirus pandemic. Two thousand young people aged 18-24 were unemployed in Stockport at the end of 2020, an increase of 153% from the previous year.<sup>1</sup>
- There were 197 young people aged between 16 and 18 years old in Stockport who are not in employment, education or training (NEET), this represents 3.1% of the 16 and 18 years old population in Stockport.<sup>2</sup>
- NEETs often face additional challenges in transitioning to employment and have fewer opportunities to acquire work experience as they often lack the qualifications and skills needed to access quality work placements.<sup>3</sup>
- Work experiences which might be more suitable for NEET are not paid. NEETs and those in care or leaving care often are in receipt of Job Seekers Allowance or Universal Credit and have difficulties managing a monthly budget.<sup>4</sup>
- Stockport already support NEETs to look for work placements but there is a significant challenge to getting employers to offer paid placements which are suitable for these young people.

*This project is jointly funded by Stockport Metropolitan Borough Council (SMBC) and the Local Government Association (LGA). It is part of the LGA's [Behavioural Insights Programme](#).*



# Costs of being NEET

---

- A study found that the estimated cost to the state of a NEET young person is £3,300 per year at 16-17 years old, and £7,200 at 18-24 years old.<sup>5</sup>
  - The majority of these costs are a result of underemployment due to educational underachievement, unemployment and economic inactivity.<sup>5</sup>
  - The public finance costs consist of payments in unemployment benefits (JSA) and Universal Credit to those who are not working and tax losses through direct taxes and reduced indirect tax yields due to lower consumer expenditure.<sup>5</sup>
- Given that there are 197 NEETs between 16-18 years old in Stockport, we estimate the annual net finance cost of this population to be £650,000.
- In addition, the benefits of education and training programmes targeted at young people who are NEET outweigh the associated costs. For instance, the Youth Contract, a programme targeted at disengaged 16-17 year olds in England costs around £800 per participant. However, the total present value social benefits per participant were estimated to be between £10,000 - £13,000.<sup>6</sup>
- This gives a strong indication that helping young people transition to paid employment is likely to be cheaper and more beneficial than financially supporting them when they become NEET.



# Purpose of Scoping Report

---

- This report summarises our findings from our scoping phase for the project. The goal of this phase was to establish whether a full project (including the design, implementation and rigorous evaluation of a behavioural insights intervention) is feasible.
- This report summarises our findings from this scoping work. On the basis of our scoping research, **we recommend a project that leverages behaviourally-informed approaches to encourage Stockport firms to find out more/sign up for offering paid placements to NEETs.** These approaches might include both communications and outreach strategies as well as specific programmes. We will continue to investigate different intervention design options during the next stage of the project.
- This report includes the following:
  - A summary of the Barriers and Facilitators to employers offering paid work placements to NEETs;
  - An overview of possible intervention approaches;
  - A proposed evaluation design and structure of the project.

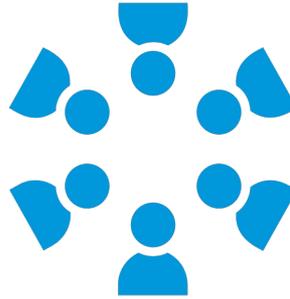


# Our research had three components

---



A brief evidence review



Two meetings with strategic staff from SMBC



One workshop with frontline and strategic SMBC staff and external training providers

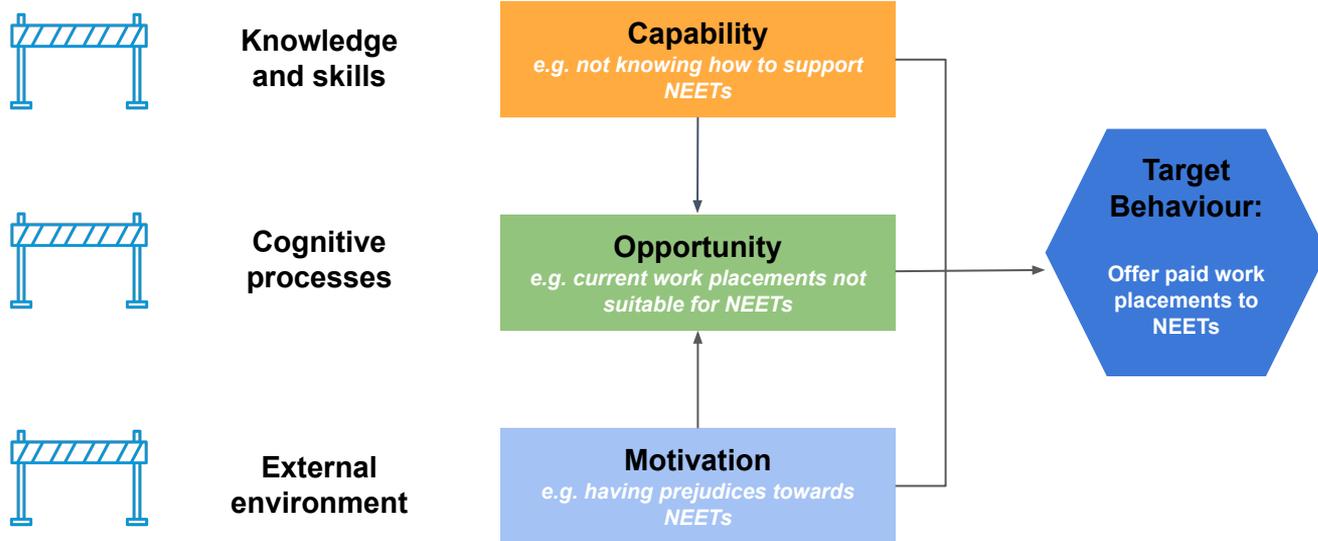


# Barriers and facilitators



# We used the COM-B model to map barriers

The COM-B model of behaviour change predicts that an individual will engage in a behaviour if he/she has the **capability**, **opportunity**, and **motivation** to do so.<sup>7</sup> We use this model to organise the **prospective barriers to employers offering paid work placements for NEET youth in Stockport**.



# Barriers to employers offering paid work placements for NEETs (1/2)



The table below summarises the barriers to employers offering paid placements to NEETs and provides supporting evidence:

Barrier	Evidence
Barriers to employers' <b>capability</b> to offer paid placements	
Employers may not know how to offer bespoke, paid work placements or fear it will be difficult to offer these placements	<ul style="list-style-type: none"><li>• One survey of 1,389 British employers found that 16.2% of employers that did not offer educational placements were interested in doing so, but did not know how.<sup>8</sup></li><li>• Additionally, 16.2% of employers not offering placements did not know it was possible to do so.</li><li>• Employers also expressed the concern that offering these placements might require a 'disproportionate amount of effort'.<ul style="list-style-type: none"><li>◦ This may be especially true for bespoke placements, for which government guidance does not exist.</li></ul></li></ul>
Employers may experience a perceived or actual inability to adequately support NEETs	<ul style="list-style-type: none"><li>• A report produced for the Commission on the Future of the Voluntary Sector found many organisations viewed young people as 'necessitating levels of support and supervision which the organisations are unwilling or unable to provide'.<sup>9</sup></li></ul>

# Barriers to employers offering paid work placements for NEETs (2/2)



Barrier	Evidence
Barriers to employer <b>opportunities</b> to offer paid placements	
Employers may be unaware that existing work placements fail to meet the needs of NEETs	<ul style="list-style-type: none"><li>• Employers may be under the impression that current placements explicitly targeting NEETs such as traineeships are fit for purpose.<sup>10</sup></li><li>• A survey of employers currently offering traineeships found 84% planned to offer additional placements specifically for NEETs.<sup>11</sup></li></ul>
Barriers to employers' <b>motivation</b> to offer paid placements	
Employers may not believe they will benefit from offering placements for NEETs	<ul style="list-style-type: none"><li>• The survey of British employers previously referenced found 41.9% of employers that did not offer educational placements saw no value for their organisation in doing so.<sup>8</sup></li><li>• This perception is exacerbated in industries in which self-employment is common, as employers fear they may end up training their future competitors.<sup>12</sup></li></ul>
Employers may feel they cannot afford to engage in prosocial initiatives given the current economic climate	<ul style="list-style-type: none"><li>• Even if employers do not believe they will benefit from offering placements for NEETs, they may do so out of a desire to benefit their community.<sup>13</sup></li><li>• However, employers may not feel they are able to engage in prosocial activities following a year in which British GDP declined by close to 10%.<sup>14</sup></li></ul>
Employers may be prejudiced towards NEETs	<ul style="list-style-type: none"><li>• The report produced for the Commission on the Future of the Voluntary Sector found many organisations held a 'negative attitude to young people as volunteers'.<sup>9</sup></li><li>• Young people may also experience age discrimination by being belittled, passed over for jobs or being paid poor wages just because they are young.<sup>10</sup></li></ul>

# Facilitators to employers offering paid work placements for NEETs



Our research uncovered several facilitators that, when activated, might encourage Stockport employers to offer work placements for NEETs.

Facilitators	Evidence
<p><b>Narrow self-interest:</b> Employers may offer work placements for NEETs if they believe doing so is in their own best interest, either because these placements will help with recruitment, increase workplace productivity, or bolster their community reputation.</p> <p><b>General self-interest:</b> Employers may offer work placements for NEETs due to a more diffuse self-interest. For example, they may be motivated to influence young people's attitudes towards work or promote positive attitudes towards their industry.</p> <p><b>Benevolent interest:</b> Employers may seek to contribute to their community by advancing the careers of NEET youth.</p>	<p>One survey asked 1,162 British businesses to what extent they agreed with a series of statements regarding why businesses should offer educational placements.<sup>8</sup> Businesses used a five-point scale to respond, with 1 indicating complete disagreement, and 5 indicating complete agreement. The researchers found businesses were most likely to agree with statements that fit into the three categories at left.</p> <p>The average responses in each category were:</p> <ul style="list-style-type: none"><li>• <b>Narrow self-interest:</b> ~1.8</li><li>• <b>General self-interest:</b> ~3.0</li><li>• <b>Benevolent interest:</b> ~2.8</li></ul> <p>The higher scores for general self-interest and benevolent interest suggest prosocial appeals may be an effective strategy for encouraging Stockport employers to offer paid placements for NEETs.</p>



# Solutions: addressing the barriers

TARGET

Increase the number and quality of work placements for NEET

## Capability

## Opportunity

## Motivation

BARRIERS

**Understanding how to engage**

Employers may not know how to offer bespoke work placements or fear it will be difficult to offer these placements

**Understanding how to support**

Employers may experience a perceived or actual inability to adequately support NEETs

**Conditions & Support**

Existing work placements fail to meet the needs of NEETs

**Perceived lack of value**

Employers may not believe they will benefit from offering placements for NEETs

**Pluralistic ignorance**

Employers may feel they cannot afford to engage in prosocial initiatives given the current economic climate

**Fear of bad experience**

Employers may be prejudiced towards NEETs

SOLUTIONS

Make it easy to engage

Create bespoke work placements

Highlight short-term benefits

Correct misperceptions

Improve employer support

Create a sense of shared responsibility



# Intervention and trial designs

---

# Encouraging employers to sign-up to a list of champion employers



- A primary goal of this project is to identify light-touch changes, informed by the behavioural sciences, which could be incorporated into communications with employers to encourage them to offer paid work placements to NEETs.
- In this trial, we would test the impact of a one-off communication (e.g. email) to employers, incorporating behavioural insights designed to encourage them to sign-up to a local authority list of 'champion employers' who are willing to offer NEETs paid work placements.
- As a follow-up intervention, we could provide employers who signed up to the 'champion employers' list with materials to help them set work placements and support NEETs more effectively.
- A project of this kind would be more feasible and have a greater impact if delivered beyond Stockport. For instance, neighbouring areas such as Central Manchester and Salford Quays which are accessible to Stockport residents could be included in the trial.  
**However, working and engaging with Stockport employers will remain the main focus of our project.**

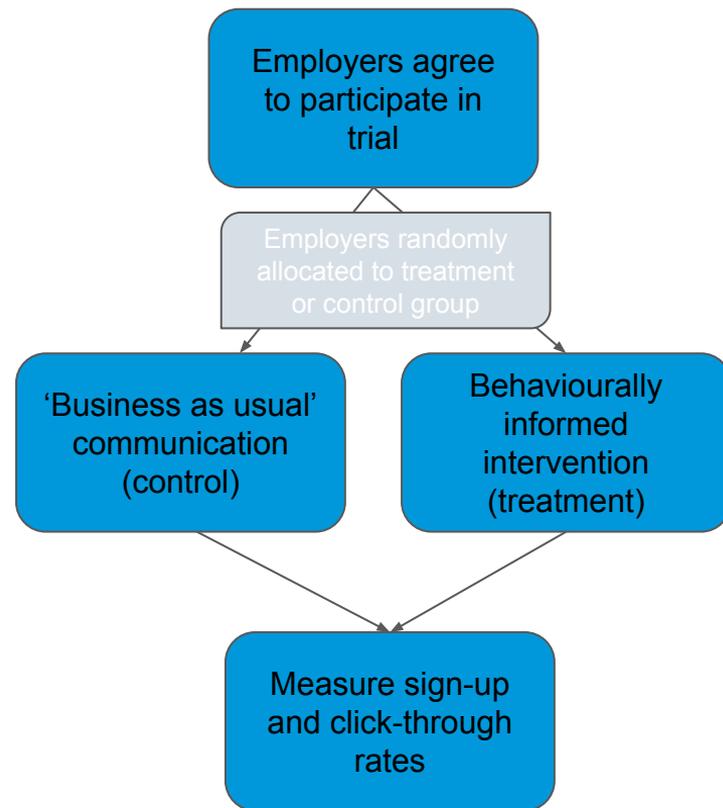
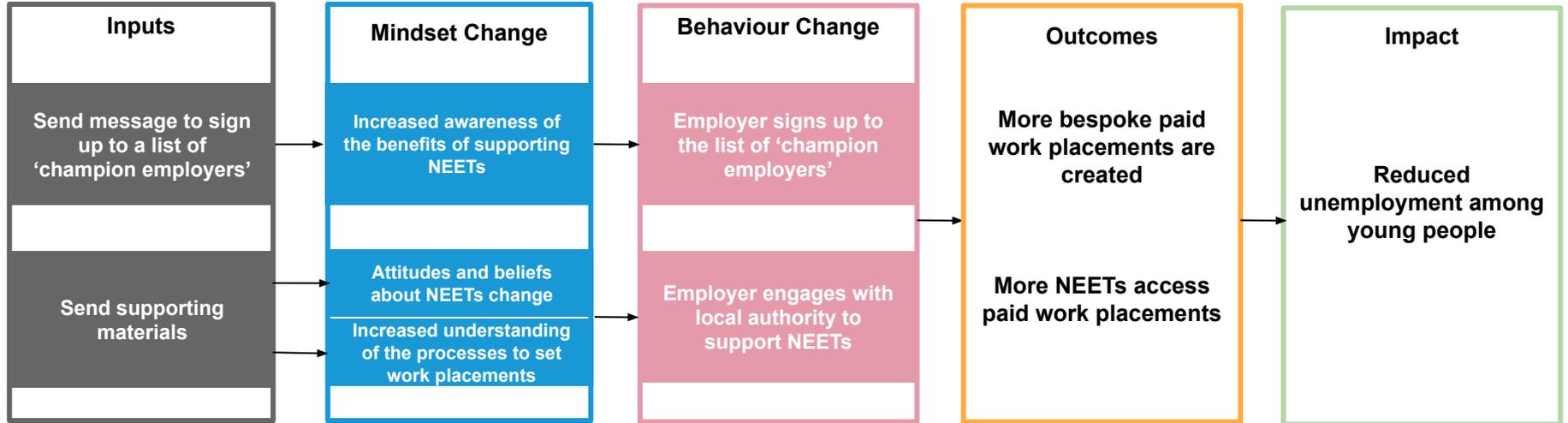


Figure 1. High-level trial design for randomised control trial.



# Theory of Change

A Theory of Change is a methodology to illustrate of **how and why a desired change is expected to happen in a particular context**. The Theory of Change below shows how we intend to achieve our goal: employers offering paid work placements for NEETs in Stockport.





# Trial design assumptions

---

- To determine the most suitable trial design, we would need to know the **number of email addresses** in Stockport database of employers and other databases of potential partners (GMCA, GM Good Employment Charter, GM Chamber of Commerce).
- This information would also allow us to accurately estimate how many employers are needed to detect an effect of our intervention.
- Assuming we have access to 2,000 email addresses, **we recommend a 2-arm randomised controlled trial (RCT) testing one new behaviourally informed approach against the business as usual approach (control)**. If there is not a pre-existing approach, the trial could instead compare the efficacy of two different behaviourally informed messages.
- If we cannot recruit enough employers we recommend using a **'before-after' approach** (more details on next slide)
- A 'before-after' study would only be feasible if we are able to collect **baseline data (outcome estimates before intervention)** such as:
  - Number of employers collaborating with Stockport Council
  - Number of paid work placements offered by employers in Stockport
  - Number of NEETs accessing paid work placements



# Trial design options

## RCT (recommended)

This would involve randomly assigning employers to receive one of a number of invitation/reminder communications and then measuring the difference in subsequent sign-up rates. Based on similar studies, we estimate we will need approximately 2,000 employer email addresses for this trial design to be feasible.

### Pros:

- We can be highly certain that any change in behaviour is due to the intervention and not other factors.

### Cons:

- A large number of employers is required. This means we may have to conduct a trial including other areas rather than just in Stockport;
- Recruitment of employers may prove difficult;
- If the sample is too small and this may result in an underpowered study (i.e. having insufficient employers to draw a meaningful conclusion).

## Before-After Design (if sample is <2,000)

This design would require measuring how many bespoke, paid work placements were created by employers prior to introducing the intervention and comparing it with the number of work placements created after implementing the intervention. Follow-up measurements could also be included in order to evaluate the effects of the intervention over time.

### Pros:

- Fewer employers are needed to run a robust trial.

### Cons:

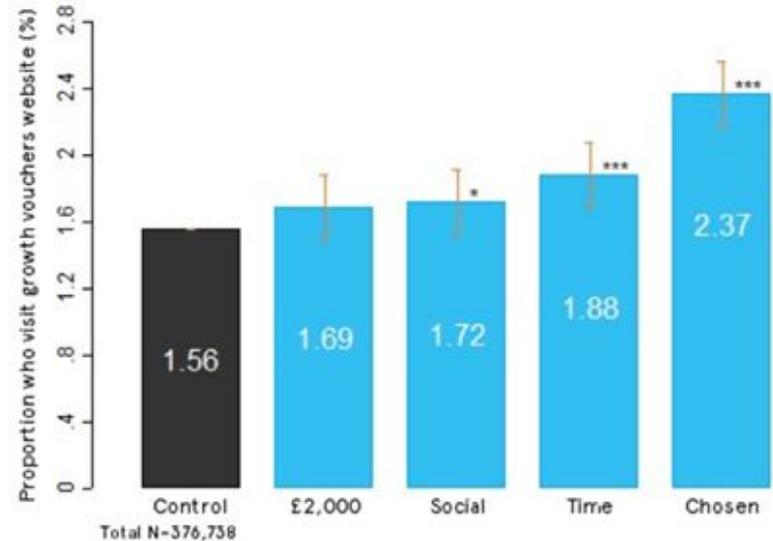
- Baseline data collection needed;
- It is difficult to establish that changes in behaviour are due to the intervention and not other changes over time. We can minimise this risk by ensuring there is no additional outreach to participating businesses during the trial period that may influence the target behaviour.



# Example of a previous BIT email trial

We ran an email RCT to test if the framing of an email message encouraging SMEs to apply for a government funding scheme would have an impact on the number people clicking through to the programme website. We found that changing the email's framing could increase click through rates more than 50% (thousands more click throughs).

Control	Thousands of businesses are benefiting from professional advice. Now Growth Vouchers cover half the cost of getting professional advice for your business. Click here to apply
Time	Growth Vouchers is a government scheme that covers up to half the cost of getting professional advice for your business. <b>The vouchers are only available for this financial year so don't miss out.</b> Click here to apply.
Chosen	<b>You have been chosen to receive information about Growth Vouchers as we think you may be eligible for this scheme.</b> Growth Vouchers cover half the cost of getting professional advice. Click here to apply.
Social	<b>Thousands of businesses are applying for Growth Vouchers.</b> It's a government scheme that covers up to half the cost of getting professional advice for your business. Click here to apply.
Money	<b>Growth Vouchers offer up to £2,000 from government to cover half the cost of getting professional advice for your business.</b> Click here to apply.



\*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$



# Potential behavioural interventions (1/2)

---

There are several behavioural strategies we believe might effectively encourage employers to support NEETs:



**Use social norms:** People have a strong instinct for mutual support and reciprocity and we are more likely to perform an act if others do too.<sup>15</sup> This approach would involve **showing employers that other businesses in the region are offering paid work placements to NEETs.**



**Appeal to altruism:** We know from the literature that people are more willing to provide aid to a single person than to nebulous group of victims (i.e. the identifiable victim effect).<sup>16</sup> Showing that behind the appeal to help NEETs, **there is a single individual with a name and a face** could help overcome the prejudices that some employers might have towards NEETs.



**Add incentives:** Findings from our fieldwork, indicate that employers believe there are not benefits from supporting NEETs. Rewards are a powerful tool to get people to engage or stop performing certain behaviours.<sup>17</sup> For example, Stockport Council could ask employers to support NEETs in return for being **recognised as a top socially responsible employer.**



# Potential behavioural interventions (2/2)

---

There are several behavioural strategies we believe might effectively encourage employers to support NEETs:



**Help them plan:** Prompting people to plan and write down the precise steps needed to complete a task can help people move from having an intention to carry out an action to actually doing it.<sup>18</sup> This approach could involve **adding a checklist** to simplify the process of developing and offering bespoke work placements for NEET.



**Focus on scarcity:** Scarcity is the phenomenon where, when an offer or service is limited in availability (or perceived as being limited), it becomes more attractive.<sup>19</sup> For example, **emphasizing the exclusivity of the invitation** to join 'champion employers' in the region could be a way to apply this principle.



**Use present-bias:** People have a preference for short-term rewards over longer-term ones.<sup>20</sup> We could use this approach by **highlighting the short-term benefits of employing NEETs** (i.e. reduction in staff turnover and reduced absenteeism).

# Recommendations

---

# We recommend to work towards determining which is the best trial design option



Based on our scoping work we recommend that for the next phase of the project, we:

Actions	Actors
<b>1. Perform an initial screen to identify the most feasible trial design:</b>	
a. Determine the number of email addresses in Stockport database of employers;	Stockport
b. Identify potential partners to increase sample size beyond Stockport employers ( <b>exclusively</b> including employers in neighbouring areas such as Central Manchester and Salford Quays);	BIT Stockport
c. Investigate what baseline data is collected routinely (number of paid work placements, number of employers working closely with Stockport and;	Stockport
d. Engage with local businesses using Stockport's database of employers and local networks to determine barriers and enablers to target behaviour.	BIT Stockport
<b>2. Select trial design and work towards conducting it</b>	BIT Stockport

# Proposed project structure and next steps

---



# Proposed project structure

---

<b>Target</b>		<b>Define the problem and determine the measurable target outcomes</b> We will work with employers to narrow down the problem(s) we are trying to solve and to identify the measurable outcomes we are aiming to achieve.
<b>Explore</b>		<b>Understand relevant behaviours and the wider context</b> We will conduct a more in depth literature review on employers behaviour. We will also complete several rounds of qualitative research with employers, managers, training providers and NEETs to build our understanding of the context on the ground and the most important barriers to employers.
<b>Solution</b>		<b>Consider and design the interventions</b> We will develop one or more ideas to address our identified problem(s). We will then work with Stockport Council to identify the most effective and feasible solution.
<b>Trial</b>		<b>Design and launch trial, evaluate, learn and adapt</b> Finally, we will test the effectiveness of the solutions developed through a trial.



# Proposed activities and deliverables

<p><b>Target &amp; Explore</b></p>  	<ul style="list-style-type: none"><li>• Kick off meeting with the core project team, consisting of Stockport's staff working with employers and NEETs, training providers and BIT's local government team</li><li>• Review of approaches that Stockport uses to contact employers</li><li>• Interviews to understand outreach and the sign up process across Stockport and identify employers with historically low engagement</li><li>• Desk research exploring some of the barriers that employers may be facing in offering work paid placements to NEETs</li></ul>
<p><b>Solution</b></p> 	<ul style="list-style-type: none"><li>• Use our findings from the Target and Explore Stage to develop a long-list of potential behavioural interventions to address the identified problems</li><li>• Produce a Solution Report summarising our research findings and key intervention ideas</li><li>• Work with Stockport to agree one or more interventions to evaluate on a trial</li></ul>
<p><b>Trial</b></p> 	<ul style="list-style-type: none"><li>• Take the communications identified during the Solution phase to test in a trial.</li><li>• Write Trial Protocol, specifying our evaluation approach in detail</li><li>• Analysis of the trial results</li></ul>



# Current project plan

	May+	July	Aug.	Sept.	Oct.
<b>Target</b> Kick-off meeting Review previous communications					
<b>Explore</b> Desk research on employer engagement					
<b>Solution</b> Generate solutions Design and run experiment					
<b>Trial</b> Run experiment and analyse results*					
<b>Write up</b> Write results deck + recommendation					

+The project will be tendered before work can start. At the moment the tender hasn't been released so this timeline is subject to change depending on when the tender is published

\*This assumes trial will run for 3 months; this may change

# References

---



# References (1/3)

---

- <sup>1</sup> Oldham Partnership. (2020). *Monthly Labour Market Report*, UK: November 2020:  
[https://www.oldham.gov.uk/download/downloads/id/4008/monthly\\_labour\\_market\\_report.pdf](https://www.oldham.gov.uk/download/downloads/id/4008/monthly_labour_market_report.pdf)
- <sup>2</sup> Data obtained from Stockport Council, March 2021.
- <sup>3</sup> Department for Education. (2018). *Barriers to learning for disadvantaged groups*, UK, August 2018:  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/735453/Barriers\\_to\\_learning\\_-\\_Qualitative\\_report.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/735453/Barriers_to_learning_-_Qualitative_report.pdf)
- <sup>4</sup> Gateshead Council. (2018). *"It's hitting people that can least afford it the hardest" the impact of the roll out of Universal Credit in two North East England localities: a qualitative study*, UK, November 2018:  
[https://www.gateshead.gov.uk/media/10665/The-impact-of-the-roll-out-of-Universal-Credit-in-two-North-East-England-localities-a-qualitative-study-November-2018/pdf/Universal\\_Credit\\_Report\\_2018pdf.pdf?m=636778831081630000](https://www.gateshead.gov.uk/media/10665/The-impact-of-the-roll-out-of-Universal-Credit-in-two-North-East-England-localities-a-qualitative-study-November-2018/pdf/Universal_Credit_Report_2018pdf.pdf?m=636778831081630000)
- <sup>5</sup> Centre Point. (2016). *Is prevention cheaper than the cure? An estimation of the additional costs of homelessness for NEET young people*, UK: October 2016: <https://centrepoin.org.uk/media/1702/is-prevention-cheaper-than-cure.pdf>
- <sup>6</sup> Nafilyan V., Speckesser, S. (2014). *Estimating the long-term social benefits of a programme aiming to re-engage NEETs in education*, Brighton, UK: Institute for Employment Studies: [https://www.sheffield.ac.uk/polopoly\\_fs/1.679096!/file/2014\\_B1\\_2\\_Nafilyan.pdf](https://www.sheffield.ac.uk/polopoly_fs/1.679096!/file/2014_B1_2_Nafilyan.pdf)
- <sup>7</sup> West, R., Michie, S. (2020). *A brief introduction to the COM-B Model of behaviour and the PRIME Theory of motivation*. Qeios. doi:10.32388/WW04E6.2.



# References (2/3)

---

- <sup>8</sup> Hillage, J., Hyndley, K., & Pike, G. (1995). *Employers' Views of Education Business Links*. Institute for Employment Studies.
- <sup>9</sup> Gaskin, K., Vlaeminke, M., & Fenton, N. (1996). *Young People's Attitudes to the Voluntary Sector*. Commission on the Future of the Voluntary Sector.
- <sup>10</sup> *Traineeships: framework for delivery 2020 to 2021*. (2021). Retrieved 13 April 2021, from <https://www.gov.uk/government/publications/supporting-young-people-to-develop-the-skills-for-apprenticeships-and-sustainable-employment-framework-for-delivery/traineeships-framework-for-delivery-2020-to-2021-web-accessible-version>.
- <sup>11</sup> Department for Innovation & Business Skills. (2015). *Traineeships: First year process evaluation*.
- <sup>12</sup> Miller, L., Neathey, F., Pollard, E., Hill D., & Ritchie H. (2005). *Gender segregation in apprenticeships*. Equal Opportunities Commission.
- <sup>13</sup> Miller, L. (2007). *How can we encourage employers to become involved in education?* Institute for Employment Studies.
- <sup>14</sup> House of Commons Library. (2021). *Coronavirus: Economic impact*.
- <sup>15</sup> Elster, J. (1989). *Social norms and economic theory*. *Journal of Economic Perspectives*, 3(4), 99-117.
- <sup>16</sup> Västfjäll, D., Slovic, P., Mayorga, M., & Peters, E. (2014). *Compassion fade: Affect and charity are greatest for a single child in need*. *PLoS ONE*, 9(6). <https://doi.org/10.1371/journal.pone.0100115>
- <sup>17</sup> Lazear, E.P. 2000. *The Power of Incentives*. *American Economic Review*, 90 (2): 410-414.
- <sup>18</sup> Rogers, T., Milkman, K. L., John, L. K., & Norton, M. I. (2015). *Beyond good intentions: Prompting people to make plans improves follow through on important tasks*. *Behavioral Science & Policy*, 1(2), pp. 33–41



# References (2/3)

---

<sup>19</sup> Mittone, L., Savadori, L. (2009). *The Scarcity Bias*. *Applied Psychology*. 58 (3): 453–468.

<sup>20</sup> Loewenstein G (1996). *Out of Control: Visceral Influences on Behavior*. *Organizational Behavior and Human Decision Processes*. 65 (3): 272–292.