

ERSA General Election Briefing: April 2017

The UK's employment support sector has been markedly successful in helping jobseekers gain and sustain employment, helping to deliver record labour market participation levels. However, the good topline figures mask deeper problems in relation to under employment and unemployment, particularly in some geographical areas and for some groups of jobseekers. This briefing provides a brief overview of measures the employment support sector believes should be incorporated into a future programme for government

Access to specialist employment support

All the nation's jobseekers deserve access to good quality employment support, which understands and respects their circumstances and is tailored to their needs.

Specialist providers, many of whom are charities, should play a much bigger role in supporting the UK's jobseekers. National investment in specialist employment provision should be prioritised, in order to tackle the current skills gaps and productivity challenges to deliver a thriving labour market across different areas of the UK as part of a post-Brexit Industrial Strategy.

ERSA therefore believes that any future government programme should commit to a better assessment of jobseeker needs and, for those who need it, earlier access to high quality provision. This principle of **early intervention** could be paid for by a return to the principle of the **DEL/AME switch**, whereby specialist employment support is paid for from the future savings in benefits.

Supporting disabled jobseekers

Disabled jobseekers and those with health conditions should be a particular priority. [Economic modelling](#) carried out by WPI Economics found that doubling the size of the new national initiative, the Work and Health Programme, could result in wider **savings of £280 million to the Exchequer per year**.

Alongside these direct economic benefits there is also robust evidence that good employment can provide significant benefits to health and wellbeing. Ultimately, providing adequate levels of high quality support for disabled jobseekers is also simply the right thing to do.

In line with many others, ERSA also supports reform of the **Work Capability Assessment (WCA)** so that it is 'right first time'. The WCA should be a positive experience for individuals, which helps them on their employment journey rather than a cause of trauma.

Replacing the European Social Fund

One of the less debated impacts of the UK's withdrawal from the European Union will be the loss of funding for social and economic projects.

Currently the European Social Fund (ESF) is **worth around £550 million a year** in England and Wales alone, and is used to fund a wide range of anti-poverty initiatives, focused on employment, skills and communities in the poorest parts of the UK. The government has promised to underwrite this funding until 2020, but the future is unclear beyond then. The UK needs to design and implement a successor initiative as a matter of urgency.

The next government **should take immediate steps to develop a successor fund to ESF** or it risks creating a black hole in the provision of the crucial social initiatives it supports. A successor fund should not be a like-for-like replacement, but should be a **world-leading initiative**, helping to create a Shared Society and an inclusive economy that can fulfil its post-Brexit potential.

Additionally, there is likely to be a substantial amount of European Social Funding unallocated from the current 2014-2020 pot. It is vital that we ensure that these funds are fully utilised or we face the risk that millions of pounds earmarked for

supporting UK social, education and employment projects will return to the EU.

Supporting young people

Although youth unemployment has dropped since its peak, there remain significant **youth unemployment hotspots** around the country.

ERSA believes there is a particularly strong case for an incoming government to set up a dedicated, strongly branded, **youth employment programme** which uses specialist provision and is backed by employers. This should be exciting and aspirational, sitting outside of Jobcentre Plus offices and delivered by organisations able to reach out to young people within communities. This could helpfully dovetail with the existing focus on increasing the quality and quantity of apprenticeships. Again this could be paid for by using future benefit savings and/or utilise relatively innovative funding approaches, including jointly commissioned Social Impact Bonds in partnership with local authorities.

Revolutionising careers advice

Ahead of the potential publication of a **National Careers Strategy**, which guides the development of top quality careers and employability support for all, ERSA believes that a future government could look to **guarantee that all secondary school pupils** within the state system have contact with the world of employment and access to careers guidance support.

This could then feed into a new young person's '**employability passport**' capturing their skills and employment journey spanning school, post 16 education and training, work aspirations, experience and achievements.

Driving productivity

Careers advice is not only the preserve of young people. The future economy will demand higher level skills than exist in the current workforce. At the same time the UK workforce is aging, with people expected to work for a longer period of time. It is therefore essential that the skills and employment systems work more effectively together to support people through the different stages of their working lives.

As such, and in order to drive productivity, the future government could look to set up an **in-work progression service** to provide advice and support for anybody wanting to progress in work. This should work with employers and employees alike in a positive process of engagement and support.

In addition, a future government should introduce greater flexibility in the design, delivery and financing of courses so that individuals can continue their studies whilst moving from unemployment into work and should ensure a greater proportion of funding is made available for skills courses for the long term unemployed in recognition that not all will be able to access apprenticeships.

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