

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 deep seated 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.

However, current government intentions are to cut national investment in specialist employment provision **by as much as 75%**. As a result, future, specialist providers, many of whom are charities, are set to play a much smaller role in supporting the nation's jobseekers. This is despite consistent feedback that Jobcentre Plus lacks sufficient specialist knowledge to help those with the most needs into work, whilst the conditionality regime can affect trust and thus acts as a major obstacle to helping some people into employment.

ERSA therefore believes that any future programme for government should feature a commitment 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 future benefit savings.

Supporting disabled jobseekers

Disabled jobseekers and those with health conditions are particularly at risk under current plans. In future, it looks likely that **only 1 in 8 disabled jobseekers** who can and want to work will be able to access specialist support. In contrast, [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 is fast running out of time to design and implement a successor initiative.

The next government **should take urgent steps to develop a successor fund** 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 could adopt a distinctly British approach, which minimises the bureaucracy which can stymie smaller organisations gaining access to it.

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

Youth employment has not been a priority for the current government, despite **over double as many young people being unemployed (13.1%)** compared to the national average. Although youth unemployment has dropped since its peak, there remain significant youth unemployment hotspots around the country.

The current government's intended flagship scheme for young people is the Youth Obligation, due to commence in April 2017. This focuses on young people (aged 18-21) moving to a new Youth Allowance from Jobseekers' Allowance, a lower level benefit for which they would need to undertake particular activity in order to qualify. In addition, young people would not automatically benefit for housing benefit.

Qualifying activities for the Youth Obligation include an apprenticeship, traineeship or unpaid compulsory work placement, with no funding for additional wraparound support delivered by youth-focused specialist organisations outside JCP. Rollout will only apply in full Universal Credit areas, with all other young unemployed people being required to spend up to two years under the JCP regime before receiving any additional specialist support.

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, rather than sitting within Jobcentre Plus offices and policed by the conditionality regime. 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

The UK is still awaiting the 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.

In addition, a future government should introduce far 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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