



House of Commons  
Work and Pensions Committee

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**Plan for Jobs and  
employment support**

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**Eighth Report of Session 2022–23**

*Report, together with formal minutes relating  
to the report*

*Ordered by the House of Commons  
to be printed 12 July 2023*

**HC 600**

Published on 19 July 2023  
by authority of the House of Commons

## Work and Pensions Committee

The Work and Pensions Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Department for Work and Pensions and its associated public bodies.

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## Summary

Employment support is an essential component of the services provided by the Department for Work and Pensions (DWP) to support unemployed people to find work. Employment support is delivered initially through Jobcentre Plus which provides resources to help people find work, offers information about training opportunities, and administers claims for benefits. Claimants attend regular appointments with a Jobcentre Plus Work Coach, who can give advice on the support available and ensures that the benefit requirement to look for work is being met. DWP also provides support through more intensive, targeted schemes to help those most in need of additional support to get into work.

In this Report we look at the Government's Plan for Jobs and DWP's employment support provision. In response to the Covid-19 pandemic, DWP introduced a number of interventions to help people get back to work which led to successful employment outcomes for many people. However, since the pandemic, rates of economic inactivity have increased substantially. In particular, young people, people over 50 and people with disabilities and long-term health conditions have experienced high levels of economic inactivity which the current employment support provision has been unable to remedy. In addition, the UK has seen record high levels of vacancies. At the peak in March–May 2022, the number of job vacancies exceeded the number of people looking for work.

This Report sets out recommendations for the Government to help support people who are economically inactive move into work. We propose further integration of mental health and employment support services, especially for young people who are experiencing more problems with their mental health since the pandemic. We propose better funding, evaluation and access for Youth Hubs, an important step forward for employment support for young people. Young people living in supported housing currently face unfair benefit rules which act as a deterrent to work; these rules need to be corrected.

The Government should do more to ensure greater access to flexible working, which is especially important for older workers, people with disabilities or long-term health conditions and those with caring responsibilities.

Ageism and Ableism in the workplace are significant problems that need addressing. We propose that the Government's Disability Confident scheme should be remodelled to improve its impact and that an employer scheme should be introduced to champion older workers. We also recommend improved access to occupational health services to ensure people can remain healthy at work.

We also propose a major shift in DWP's approach to eligibility. In order to ensure that people who are economically inactive have access to the support they need to get into work, DWP should remove eligibility requirements which bar them at present.

We also make recommendations in this Report for improvements to the employment support programmes that DWP currently offers. More people could benefit from Access

to Work than do currently. The scheme needs to be better promoted, Work Adjustment Passports need to be made available to all participants and the system needs to be modernised so that documentation can be submitted online.

DWP should design a new self-employment support programme to replace the New Enterprise Allowance (NEA) which is no longer operational. DWP should evaluate the NEA and consult with external organisations to design a new programme to meet current needs.

We have set out further recommendations around transforming DWP's approach to employment support more broadly. These recommendations look to make DWP's support services more transparent and more effective at producing long-term, successful employment outcomes for people out of work.

We recommend accelerating the devolution of employment support to local areas, to tailor support to the needs and opportunities of the local area and people. We propose that DWP should rethink its approach to employment support from a model that looks to get people into any job quickly, as seen in the Way to Work campaign, and refocus on getting people into long-term, sustainable employment. We recommend that people with more complex barriers to employment should have additional support once they start a job to ease the transition into work and help them stay there. We also recommend that DWP pilots the person-centred Jobs Plus programme which has been successful in the US. Finally, we propose that DWP improves transparency and accountability around the performance of its employment support services.

We hope that DWP will implement changes needed to make employment support as accessible, effective and sustainable as possible for all who need it.

# 1 Introduction

1. Employment support is an essential component of the services provided by the Department for Work and Pensions (DWP) to support unemployed people to find work. Employment support is delivered initially through Jobcentre Plus which provides resources to help people find work, offers information about training opportunities, and administers claims for benefits. Claimants attend regular appointments with a Jobcentre Plus Work Coach, who can give advice on the support available and ensures that the benefit requirement to look for work is being met.<sup>1</sup> DWP also provides support through more intensive, targeted schemes to help those most in need of additional support to get into work.

2. The Covid-19 pandemic had a major impact on the labour market and in July 2020 the Government announced the Plan for Jobs to support the UK economy through the pandemic and its subsequent recovery. The Plan for Jobs offered support in four areas:

- **Job Retention Bonus:** a scheme to incentivise firms to keep on furloughed workers;
- **Supporting jobs:** direct help for people to find work and gain the skills people need to get a job. Policy decisions included the introduction of the Kickstart scheme and an expansion of the Work and Health Programme;
- **Protecting jobs:** support for sectors most affected by the pandemic through schemes designed to increase demand for businesses; and
- **Creating jobs:** support for the property market, infrastructure investment and action to improve the energy efficiency of existing homes.

3. It was in this context that in July 2022 we launched an inquiry to examine the Government's Plan for Jobs and other employment support initiatives—both those introduced since the start of the Covid-19 pandemic and wider schemes—aimed at helping people find and stay in work.<sup>2</sup>

4. The Covid-19 pandemic occurred at a time when the UK's labour market was poised for the country's exit from the European Union. The EU-UK Trade and Cooperation Agreement (TCA) was signed on 30 December 2020 and took effect provisionally on 1 January 2021, a time most of the UK was about to enter its third lockdown. The fact that the timing of Brexit overlapped with the pandemic has meant that the impacts of the two events on the labour market have been somewhat confounded. This makes it difficult to ascertain the impacts directly attributable to Brexit. According to the European Central Bank, "the available evidence suggests that Brexit has been a drag on UK trade and has contributed to a fall in labour supply."<sup>3</sup> However, in Germany—where the Covid-19 pandemic was equally significant, but without an EU exit—the labour market impacts of the pandemic have been very similar to those experienced by the UK.<sup>4</sup> We have considered it appropriate to focus on the labour market impacts of the Covid-19 pandemic and the Government response in this Report.

1 jobcentreguide.co.uk, '[What is the Jobcentre Plus?](#)'

2 Work and Pensions Committee, '[Committee to examine Government's Plan for Jobs and employment support measures](#)' (11 July 2022)

3 European Central Bank, '[The impact of Brexit on UK trade and labour markets](#)'

4 destatis.de, '[Structures of the German labour market in the light of the COVID-19-pandemic](#)'



## Current issues facing the UK labour market and the impact of the pandemic

### *Economic inactivity*

5. Since comparable records began in 1971, the economic inactivity rate had generally been falling. However, from March 2020 and the beginning of the first Covid-19 lockdown, these figures began to increase, reaching a peak of over 9.0m (21.7%) in May–July 2022; the greatest number of economically inactive people observed in the UK since 2015.

6. People who are economically inactive are working-age people who are neither employed nor unemployed. This means that they are neither in paid work nor actively looking for work. As such, they are not eligible for unemployment support such as Jobseekers Allowance (JSA) or Universal Credit (UC). According to the Office for National Statistics (ONS):

People not in the labour force (also known as economically inactive [ ... ]) are not in employment but do not meet the internationally accepted definition of unemployment. This is because they have not been seeking work within the last four weeks or they are unable to start work in the next two weeks. The economic inactivity rate is the proportion of people aged between 16 and 64 years who are not in the labour force.<sup>5</sup>

7. Unemployment, on the other hand, measures people without a job who have been actively seeking work within the last four weeks and are available to start work within the next two weeks. Unemployed people are eligible for unemployment support, including JSA and UC. The unemployment rate is the proportion of the economically active population (people in work and those seeking and available to work) who are unemployed. In most cases, if an individual is claiming benefits and deemed able to work, then they must fulfil a work-search requirement in order to receive those benefits as part of their agreement with DWP—these people are therefore considered unemployed rather than economically inactive.<sup>6</sup>

8. Increases in economic inactivity in the first year of the coronavirus pandemic were largely driven by those aged 16 to 24 years, while more recent increases have been driven by those aged 50 to 64 years. The most common reason for inactivity, given by nearly 30% of people, is long-term sickness. Most recent estimates (March–May 2023) show that the UK economic inactivity rate has decreased from the 2022 peak of 21.7% to 20.8%, but still remains 0.6% higher than pre-pandemic levels of 20.2% (December 2019–February 2020). This rise in the level of economic inactivity has increased the pressure on the Government to tackle the problem.<sup>7</sup>

9. For some people, becoming economically inactive is the result of incapacity to work—for example, as the result of a work-prohibiting disability. Others may be taking time to study. However, a significant number of people in the UK have, or should have, the capacity to work but are, nonetheless, neither in work nor seeking employment. Beyond

5 Office for National Statistics, '[Labour market overview, UK: June 2023](#)' (13 June 2023)

6 gov.uk, '[Universal Credit and you](#)' (10 April 2023)

7 Office for National Statistics, '[Employment in the UK: July 2023](#)' (11 July 2023); Office for National Statistics '[LFS: Economic inactivity rate: UK: All: Aged 16–64: %: SA](#)'



the problems that worklessness causes for the individual, higher economic inactivity also means employers have found it increasingly difficult to fill positions and find the right candidates for jobs.

## Vacancies

10. Economic inactivity is of particular concern given the number of employers struggling to recruit. Job vacancies—defined as positions for which employers are actively seeking recruits from outside their business or organisation—have hit historic highs as the UK has returned to normal after the pandemic. The Office for National Statistics (ONS) estimated a peak of 1.3 million vacancies in the quarter March–May 2022. At this point there were fewer jobseekers than vacancies. Just over a year later, the number of vacancies has decreased to 1.03 million in April–June 2023,<sup>8</sup> and there are more unemployed people looking for work than there are vacancies.<sup>9</sup> However, this still represents a 232,000 increase in vacancies compared with pre-pandemic levels (January–March 2020).<sup>10</sup>

11. Given the demand for workers, it is clear that there are additional barriers to employment facing jobseekers which go beyond the availability of work, and which need to be addressed. It is also evident that the increase in economic inactivity is being felt by employers and the economy as a whole.<sup>11</sup>

12. Research by the Federation of Small Businesses in March 2022 showed that small business employers were facing difficulties finding candidates with the right skills. At the time of the research, 78% of small business employers in England had experienced difficulties recruiting in the previous 12 months and 82% of those said that this was due to a lack of relevant skills, qualifications or experience from applicants. 60% said a generally low number of applicants was the cause of their difficulties filling vacancies.<sup>12</sup>

## Overview of DWP employment support services and programmes

13. In July 2020, the Plan for Jobs was launched by the Government in its ‘second phase’ response to the pandemic. After taking immediate action to stop the spread of the virus by implementing lockdown restrictions, and to support people and businesses with measures such as the introduction of the furlough scheme, the Government launched the Plan for Jobs to encourage the UK’s economic recovery. Included in this support package was funding for a number of DWP employment support programmes targeting those who were directly impacted by the pandemic (see Table 1).<sup>13</sup> Some of these schemes have now closed but others are still part of the portfolio of support available from DWP.

8 Office for National Statistics, ‘[Vacancies and jobs in the UK: July 2023](#)’ (11 July 2023)

9 Office for National Statistics, ‘[Vacancies and jobs in the UK: June 2023](#)’ (13 June 2023); Office for National Statistics, ‘[LFS: ILO Unemployed: UK: All: Aged 16–64: Thousands: SA](#)’

10 Office for National Statistics, ‘[Vacancies and jobs in the UK: July 2023](#)’ (11 July 2023); Office for National Statistics, ‘[LFS: ILO Unemployed: UK: All: Aged 16–64: Thousands: SA](#)’

11 Central London Forward ([JES0017](#))

12 Federation of Small Businesses ([JES0019](#))

13 gov.uk, ‘[A Plan for Jobs 2020](#)’ (08 July 2020)

Table 1: DWP employment support schemes funded or expanded through the Plan for Jobs

Programme name	Programme description	Operational period
Kickstart	<p>The Kickstart Scheme provided funding to employers to create new jobs for 16-to-24-year-olds on Universal Credit who were at risk of long term unemployment.</p> <p>Funding covered 100% of the National Minimum Wage (or the National Living Wage depending on the age of the participant) for 25 hours per week for a total of six months; employer National Insurance Contribution (NIC); minimum automatic enrolment pension contributions. Each employer received £1,500 per job for setup costs (e.g., equipment, uniform), training and employability support.<sup>14</sup></p> <p>Kickstart gateways were organisations paid to help employers to get Kickstart funding. These organisations received £360 per job for admin costs as well as the £1,500 which they were responsible for distributing to employers. They acted as intermediaries to ensure employers could support participants and (optionally) offered additional employability support to the young person on behalf of the employer.<sup>15</sup></p>	September 2020–September 2022 (applications closed December 2021)
Youth Offer	<p>Plan for Jobs provided funding to expand the DWP Youth Offer, increasing intensive support to young jobseekers, to include all those aged 18–24 in the Intensive Work Search group on Universal Credit.</p> <p>The programme offers help for Universal Credit claimants aged 16 to 24 to find a job, work-related training or an apprenticeship.</p> <p>The Youth Offer includes three different support initiatives:</p> <ul style="list-style-type: none"> <li>• Youth Employment Programme—13-week programme working with a Jobcentre Work Coach to help prepare participants for work and help refer them to the most appropriate support.</li> <li>• Youth Hubs—Work Coaches can refer participants to Youth Hubs for extra support for up to six months from a Youth Hub work coach.</li> <li>• Youth Employability Coaches—Work Coaches can refer participants to a Youth Employability Coach if they have complex needs or other barriers to employment.<sup>16</sup></li> </ul>	April 2012–ongoing

14 gov.uk, 'Kickstart Scheme' (01 May 2022)

15 gov.uk, 'Kickstart Scheme' (01 May 2022)

16 gov.uk, 'Help to find work for Universal Credit claimants aged 16 to 24' (3 December 2021); gov.uk, 'Youth Offer Official Statistics: April 2012 to November 2015' (24 February 2016)

Programme name	Programme description	Operational period
Restart	<p>The Restart Scheme gives Universal Credit claimants who have been out of work for at least nine months enhanced support to find jobs in their local area.</p> <p>The scheme provides up to 12 months of tailored support for each participant working with providers and their delivery partners, including specialist charities and small and medium-sized enterprises, in addition to support from Jobcentre Plus.</p> <p>DWP pays contracted providers to deliver employment support with their fees partly based on the number of participants moving into sustained work.<sup>17</sup></p>	June 2021–June 2024
Work and Health Programme (WHP)	<p>The Work and Health Programme (WHP) is targeted at people with health conditions or disabilities, the long-term unemployed and other specified disadvantaged groups and aims to help participants to find and keep a job. It is voluntary other than for people in the long-term unemployed group (who have been out of work and claiming unemployment benefits for 24+ months). People do not need to be in receipt of benefits to apply for the programme, however, most people who participate will be claiming benefits when they apply.</p> <p>The scheme uses private, public, voluntary and community sector providers who are contracted to deliver support. The funding that providers receive is partly based on the number of job outcomes achieved. The scheme provides participants with personal support to help find work that matches their skills, make contact with employers, access training to improve employability, and manage health problems to reduce impact on work.<sup>18</sup></p> <p>The WHP devolution agreement allowed Local Government Partners to manage their own WHP contracts. Local Government Partners for WHP are West London Alliance; Local London; South London Partnership; Central London Forward; and Greater Manchester Combined Authority. Match funding was secured from the European Social Fund (ESF) equivalent to the DWP funding for the scheme.<sup>19</sup></p> <p>The Government provided £95 million to expand the scope of the Work and Health Programme through Plan for Jobs.<sup>20</sup></p>	November 2017–ongoing

17 gov.uk, '[Restart Scheme](#)' (26 April 2022)

18 gov.uk, '[Work and Health Programme](#)'

19 gov.uk, '[Work and Health Programme](#)'

20 gov.uk, '[A Plan for Jobs 2020](#)' (08 July 2020)

Programme name	Programme description	Operational period
Job Entry Targeted Support (JETS)	<p>Job Entry Targeted Support (JETS), which falls under the Work and Health Programme, is designed to help recently unemployed people who need additional support finding work.</p> <p>Eligibility criteria include being in receipt of UC and in the Intensive Work-Search regime, or New Style JSA at the point of referral, and being unemployed and in receipt of benefits for 13 weeks or more.</p>	2020–2023
Flexible Support Fund (FSF)	<p>The Flexible Support Fund (FSF) is a locally managed budget meant to supplement existing services and tailor support to the needs of individuals in a local area. FSF awards are discretionary and aimed at improving claimants' job prospects.<sup>21</sup></p> <p>Plan for Jobs increased the funding for the Flexible Support Fund by £150 million.<sup>22</sup></p>	2011–ongoing
Sector-Based Work Academy Programme (SWAPs)	<p>The Sector-Based Work Academy Programme (SWAPs) aims to help participants to learn new skills and get experience of working in a particular industry, helping to build confidence, improve job prospects and enhance CVs. It is targeted towards jobseekers who are claiming either Universal Credit, Jobseeker's Allowance (JSA) or Employment and Support Allowance (ESA).</p> <p>SWAPs last up to six weeks and consist of three elements:</p> <ul style="list-style-type: none"> <li>• Pre-employment training consisting of a short module of vocational training run by a local college or training provider.</li> <li>• Work experience with an employer in the industry, where you can learn new skills on the job.</li> <li>• A job interview with an employer in the sector or if an interview cannot be offered, help with the application process.<sup>23</sup></li> </ul> <p>Plan for Jobs provided an additional £17 million to SWAPs to triple the number of sector-based work academy placements in England.<sup>24</sup></p>	2011–ongoing

14. DWP has a number of other employment support programmes which were either in place before the Covid-19 pandemic and the Government's Plan for Jobs or have been introduced more recently (see Table 2).

21 parliament.uk, '[Flexible Support Fund](#)'

22 gov.uk, '[A Plan for Jobs 2020](#)' (08 July 2020)

23 gov.uk, '[Sector-Based Work Academy Programme \(SWAPs\)](#)'

24 gov.uk, '[A Plan for Jobs 2020](#)' (08 July 2020)

Table 2: Other DWP employment support schemes

Programme name	Programme description	Operational period
Way to Work	<p>The Way to Work campaign was launched along with the aim that the programme would move 500,000 people into jobs by the end of June 2022. Targeted predominantly at those in the intensive work search group on Universal Credit, the campaign was designed to get people back into work faster and fill vacancies more quickly. This involved requiring people to broaden their work search criteria from the fourth week of their claim, rather than from three months as was previously the case. Claimants were directed to look for jobs in different occupations or sectors if they could not find employment in their preferred area or previous occupation.</p> <p>The initiative refocused work coaches on having face-to-face meetings with claimants and linking employers with suitable candidates.<sup>25</sup></p>	January 2022—June 2022
Access to Work (AtW)	<p>Access to Work (AtW) is aimed at people who have a physical or mental health condition or disability or help them get or stay in work. The support offers depends on the individuals needs but there is the opportunity to apply for: a grant to help pay for practical support with work; support managing mental health at work; and money to pay for communication support at job interviews.<sup>26</sup></p>	June 1994—ongoing
Intensive Personalised Employment Support (IPES)	<p>Intensive Personalised Employment Support (IPES) is a one-to-one support and training programme designed to help people of working age who have a disability into work. Participants are given a dedicated support worker to help them into work. The support workers will:</p> <ul style="list-style-type: none"> <li>- identify work that participants are able to do and match their skills to available work;</li> <li>- arrange training to improve employability;</li> <li>- help participants build a personal support network and manage their work around specific disabilities; and</li> <li>- support participants during your first six months of work.</li> </ul> <p>The programme offers Intensive Personalised Employment Support for 15 months and an additional six months of on-the-job support if participants find employment.<sup>27</sup></p>	December 2019—ongoing

25 gov.uk, [‘New jobs mission to get 500,000 into work’](#) (27 January 2022)

26 gov.uk, [‘Access to Work: get support if you have a disability or health condition’](#); House of Commons Library [‘Access to Work scheme for disabled people’](#) (27 February 2020)

27 gov.uk, [‘Intensive Personalised Employment Support’](#)

Programme name	Programme description	Operational period
New Enterprise Allowance	<p>The New Enterprise Allowance was the main DWP support programme for self-employed people. The scheme was designed to support the move into self-employment for those people who want to start their own business. NEA provided mentoring support (provider-led) and financial assistance in the form of the NEA weekly allowance (administered by Jobcentres). Claimants who were eligible were referred to the scheme by Jobcentre Plus work coaches. Claimants also had access to the BEIS Start-Up Loans scheme should they need additional start-up financial support.</p> <p>The New Enterprise Allowance closed to new applicants in January 2022. DWP has not announced a replacement for the scheme.<sup>28</sup></p>	April 2011–January 2022
Universal Support	<p>The Universal Support programme, announced in March 2023, will support disabled people and people with health conditions to move quickly into suitable, sustained employment. Those who are eligible will be able to receive up to 12 months of provision, with up to £4,000 available per person. Funding will be available for 50,000 places each year. The programme will take a wraparound approach to support with the view to promoting successful, long-term employment outcomes.<sup>29</sup></p>	Forthcoming

### Plans for the future

15. In the Spring Budget 2023, the Government announced its plans to deliver three of its key aims, “to halve inflation, grow the economy and get debt falling”, and the measures and initiatives that would form its strategy. Employment was a key area of focus and several initiatives were proposed to help reduce economic inactivity and help people into employment. The Spring 2023 Budget announced aims to increase labour supply within groups where there was scope to increase participation. This included initiatives to support young people, people over 50 and long-term sick and disabled people. It also included support for parents.

16. Support targeted towards young people included three schemes to support employment for those who have fallen out of work since the pandemic:

Youth Offer extension and expansion	The government will extend the Youth Offer, which provides mandatory tailored support for 16–24 year olds in the Intensive Work Search regime in Great Britain, to April 2028, and expand it on a voluntary basis to young people in other conditionality groups to give them the support they need to find a job.
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<sup>28</sup> gov.uk, ‘[New Enterprise Allowance: start your own business](#)’ (1 January 2022)

<sup>29</sup> HM Treasury, ‘[Spring Budget 2023](#)’ (15 March 2023), p 99



Care leavers support	To help young people leaving residential care into employment, the government is providing an additional £8.1 million in each of the next two years to expand the Staying Close programme to around half of local authorities by March 2025. Staying Close provides young people leaving residential care with accommodation and practical and emotional support as they transition into independent adulthood.
Supported Internships	The government will invest an additional £3 million over the next two years in the Supported Internships Programme to pilot an expansion of the programme in England to young people entitled to Special Educational Needs support who do not have an Education, Health and Care Plan.

Source: HM Treasury, '[Spring Budget 2023](#)' (15 March 2023), pp 100–103

17. The Budget included initiatives aimed at encouraging inactive individuals over 50 to stay in and return to work:

Returnerships	The government will introduce Returnerships, a new offer promoting existing skills interventions to the over-50s, focussing on flexibility and previous experience to reduce training length. They will be supported by a £63.2 million investment for an additional 8,000 Skills Bootcamps in 2024–25 in England and 40,000 new Sector-Based Work Academy Programme placements across 2023–24 and 2024–25 in England and Scotland.
Midlife MOT	The government will expand and improve the midlife MOT tool to support individuals with planning for later life across Great Britain, by: expanding the midlife MOT Jobcentre Plus offer to reach more 50+ claimants through support sessions; improving the digital midlife MOT tool; and working with employers and pension providers to encourage signposting to the midlife MOT and related support.

Source: HM Treasury, '[Spring Budget 2023](#)' (15 March 2023), pp 101–102

18. A number of initiatives were introduced related to occupational health, an area we heard was in need of improvement. This is particularly relevant to people over 50 and for those with a disability:

Occupational Health SME Subsidy Pilot	The government will expand a subsidy pilot scheme to support small and medium-sized businesses in England with the cost of purchasing occupational health services.
Consultation on increasing occupational health coverage	The government will consult on increasing occupational health provision by UK employers, including regulatory options, boosting the supply of occupational health professionals, and kitemarking to indicate the quality of occupational health provision.
Consultation on occupational health tax incentives	The government will consult on options to increase investment in occupational health services by UK-wide employers through the tax system.

Source: HM Treasury, '[Spring Budget 2023](#)' (15 March 2023), p 101



19. Initiatives were introduced to support people with disabilities and long-term health conditions. Alongside the Budget, the Government published *Transforming Support: The Health and Disability White Paper* which set out a number of reforms to the support available to people with disabilities:<sup>30</sup>

Universal Support	The government will introduce a new supported employment programme for disabled people and those with long-term health conditions in England and Wales, matching participants with open market jobs and funding support and training.
Employment advice in MSK	The government will introduce employment advisors into MSK [musculoskeletal] services to help individuals with those conditions return to or remain in employment in England.
Individual Placement and Support (IPS) expansion	The government will expand the IPS scheme in England which supports people with severe mental illness into employment.
Health and Disability White Paper	The government is, alongside the Spring Budget, setting out a plan for health and disability benefits reform. The Work Capability Assessment will be abolished in Great Britain and eligibility for the health top-up in UC will be passported via the Personal Independence Payment benefit. Work search requirements will be set through tailored conversations with Work Coaches.

Source: HM Treasury, '[Spring Budget 2023](#)' (15 March 2023), p 99.

20. The Budget announced support strategies to help parents with childcare and enable non-working parents to return to work, including implementing the recommendations in our *Universal Credit and childcare costs* Report to lift the UC childcare cap and introduce upfront payments for childcare:<sup>31</sup>

30 hours free childcare for working parents and support for childcare providers	The government will provide £4.1 billion by 2027–28 to deliver 30 hours a week of free childcare for eligible working parents of children aged 9 months up to 3 years in England, where eligibility will match the existing 3–4 year old 30 hours offer.
Wraparound childcare	The government will introduce a national pathfinder scheme for wraparound childcare in England, to stimulate supply in the wraparound market and support the ambition that all children should be able to access 8am-6pm childcare provision in their local area.
Paying UC childcare support upfront for parents moving into work and working longer hours	The government will provide upfront support for childcare costs to parents on UC moving into work or increasing their hours in Great Britain rather than in-arrears.
UC childcare maximum caps	The government will increase support for those parents in Great Britain on UC who face the highest childcare costs, often because they are working longer hours, by increasing the UC childcare cost maximum amounts to £951 for one child and £1,630 for two children.

Source: HM Treasury, '[Spring Budget 2023](#)' (15 March 2023), p 102.

30 Department for Work and Pensions, '[Transforming Support: The Health and Disability White Paper](#)' (15 March 2023)

31 Work and Pensions Committee, '[Universal Credit and childcare costs](#)' (14 December 2022)

21. The Budget communicated the Government's vision of empowering local leadership through increased devolution:

The government is committed to spreading the benefits of economic growth Everywhere. The UK's spatial disparities in productivity are large compared to other advanced economies; there is significant untapped growth potential in the UK's cities outside London, and despite recent progress on devolution the UK's decision making remains overly centralised. Empowered, accountable local leaders are best placed to take the decisions needed to foster local wealth creation and civic entrepreneurialism. Spring Budget drives this vision forward, delivering change for all parts of the UK, including through the creation of Investment Zones and empowering local leadership through further devolution.<sup>32</sup>

22. The Government also announced that it would provide £37.5 million additional funding over 2023–24 and 2024–25 to finance innovative labour market pilots and evaluations to broaden the Government's evidence base.<sup>33</sup>

## Our Report

23. During the course of our inquiry, we have published over 80 written evidence submissions as well as exchanges of letters with DWP. We have held eight evidence sessions, including a scoping session, in advance of the launch of our call for written evidence. Our oral evidence witnesses have included academics, practitioners, think tanks, representative organisations, delivery partners and DWP Ministers and officials. We visited Manchester in January 2023 to hold discussions about local delivery of employment support with the Greater Manchester Combined Authority and with John Lewis to find out more about their Building Happier Futures programme. We also visited Boston, Lowell, Philadelphia and Washington DC in the United States of America in February and March 2023 to look at the support offered to those looking to enter the labour market and those already in employment (see Annex One for a summary of our meetings in the US). We are grateful to everyone who has contributed to our inquiry.

24. In this Report:

- a) In Chapter 2 we look at economic inactivity for particular groups and the challenges faced by these groups and propose possible areas of change;
- b) In Chapter 3 we focus on particular Government interventions, evaluating how they are working; and
- c) Finally, in Chapter 4 we look at getting people into suitable employment, how employers can be supported to help employees, wraparound employment support, the benefits and challenges of devolving employment support, and transparency.

32 HM Treasury, '[Spring Budget 2023](#)' (15 March 2023), p 44

33 HM Treasury, '[Spring Budget 2023](#)' (15 March 2023), p 56

## 2 Economic inactivity and supporting labour market engagement

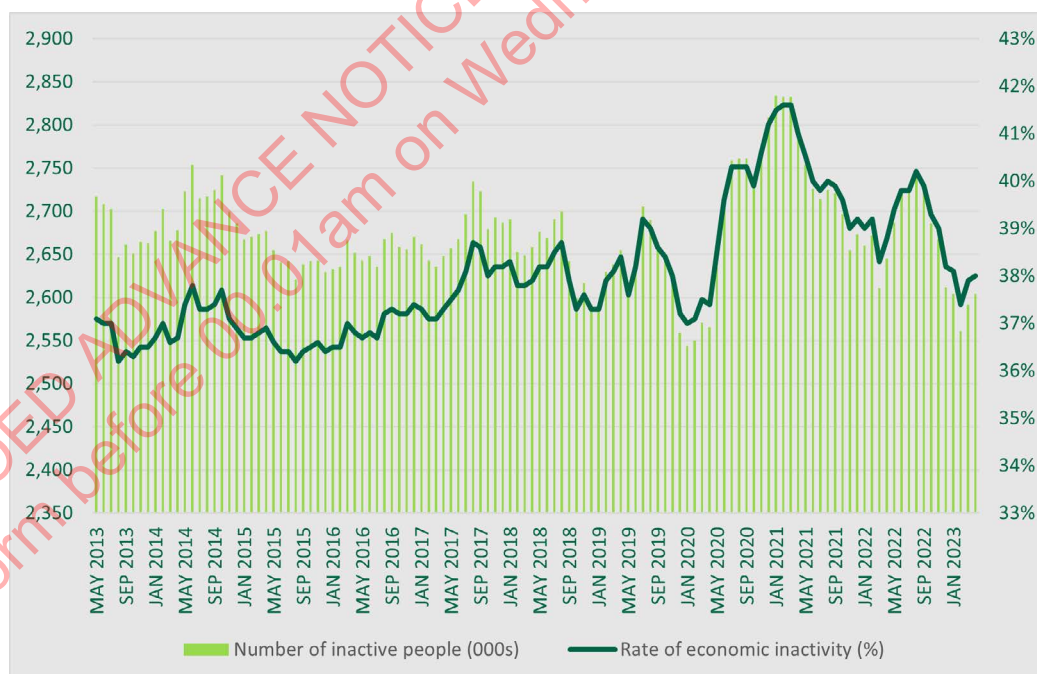
25. In this Chapter, we look at changes in economic inactivity, including how levels of worklessness have impacted particular groups—young people, over 50s and people with disabilities and long-term health problems. We look at what is causing economic inactivity among these groups and how these challenges and barriers can be overcome.

### Who has driven the increase in economic inactivity?

#### Young people

26. Before the pandemic (December 2019–February 2020) 37.0% (2.54 million) of people aged 16–24 were economically inactive, the lowest rate since 2016 and the lowest number of inactive people in this age group since 2009. During the pandemic, the rate of economic inactivity among young people reached a record high of 2.83 million or 41.6% (February–April 2021) and although these figures have decreased since then, they have not returned to pre-pandemic levels. Most recent figures (March–May 2023) show the rate of economic inactivity among this group at 38.0% (2.60 million). The rate of economic inactivity among young people has started to come down from the 2021 peak, however, it still represents a 1.0% increase compared with the levels seen before the pandemic (see figure 1).<sup>34</sup>

Figure 1: Economic inactivity among 16–24-year-olds



Source: Office for National Statistics, 'LFS: Economic inactivity rate: Aged 16–24: UK: All: %: SA'; Office for National Statistics, 'LFS: Economically Inactive: UK: All: Aged 16–24: Thousands: SA'

34 Office for National Statistics, 'LFS: Economic inactivity rate: Aged 16–24: UK: All: %: SA'; Office for National Statistics, 'LFS: Economically Inactive: UK: All: Aged 16–24: Thousands: SA'

27. The coronavirus pandemic had wide-ranging industry-level impacts through 2020 and 2021. The largest were typically seen within “high-contact” service industries—wholesale and retail; transportation and storage; accommodation and food services; arts, entertainment and recreation. Many of these industries employ some of the highest levels of young people.<sup>35</sup> At the beginning of the pandemic (April–June 2020), the largest proportion of young people were employed in wholesale and retail trade (22.7%), followed by accommodation and food service activities (15.3%).<sup>36</sup> Young people had the largest proportion of workers on zero-hours contracts compared with other age groups and were the least likely to be able to work from home.<sup>37</sup> As a result, young people’s working lives were disproportionately affected by the pandemic—the Coronavirus Job Retention Scheme, also known as the furlough scheme, supported a greater proportion of people aged 19–24 than any other age group.<sup>38</sup>

28. Young people also faced significant disruption to their education during the pandemic. According to the Youth Employment UK 2022 Youth Voice Census—an annual survey conducted to gather key insights into the experiences and views of young people—52% of young people in education said that their education was disrupted ‘a lot’ or ‘a great deal’ in the last 12 months. This impacted young people’s ability to prepare for examinations, transition to further education or employment, and affected their overall wellbeing and mental health.<sup>39</sup>

## Over 50s

29. In the 10 years prior to the pandemic the UK had seen a steady increase in levels of economic participation among the over 50s (see figure 2). Up until February 2020, the preceding decade saw the employment rate for people aged 50–64 increase from 64.9% to 72.6%. Correspondingly, the rate of economic inactivity for this age group fell from 31.9% to 25.2%, the lowest ever rate for 50-to-64-year-olds. However, progress was halted in 2020 when the Covid-19 pandemic led to huge numbers of workers over the age of 50 leaving the workforce. Economic inactivity reached a peak of 27.7% in May–July 2022, the highest rate among this age group since 2015. At this point, 3.62 million 50-to-64-year-olds were economically inactive and, although this has improved slightly in the last year, the most recent figures (March–May 2023) show that there are still 3.47 million (26.5%) economically inactive people in this age group.<sup>40</sup> In effect, the very turbulent labour market meant that around two-thirds of workers over the age of 50 who left their jobs during the pandemic had stopped working earlier than they had expected.

35 Office for National Statistics, [‘Effects of the coronavirus \(COVID-19\) pandemic on “high-contact” industries’](#) (06 May 2022)

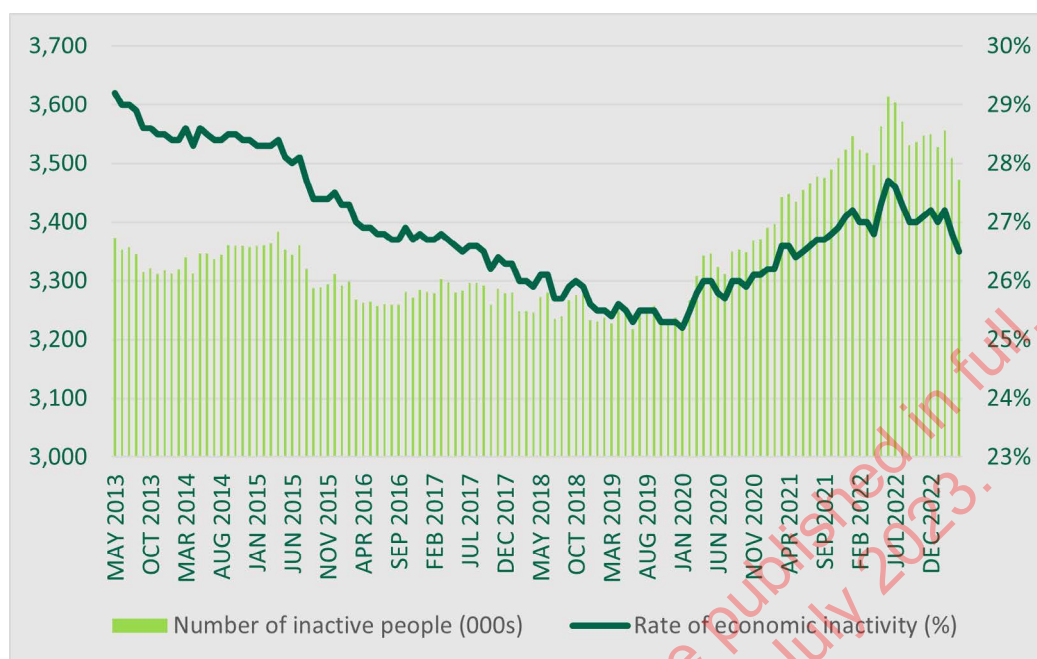
36 Office for National Statistics, [‘Labour market economic analysis, quarterly: September 2020’](#) (28 September 2020)

37 Office for National Statistics, [‘Coronavirus and changing young people’s labour market outcomes in the UK: March 2021’](#) (11 May 2021)

38 Office for National Statistics, [‘An overview of workers who were furloughed in the UK: October 2021’](#) (01 October 2021)

39 Youth Employment UK (JES0016)

40 Office for National Statistics, [‘LFS: Economic inactivity rate: UK: All: Aged 50–64: %: SA’](#); Office for National Statistics, [‘LFS: Economically Inactive: UK: All: Aged 50–64: Thousands: SA’](#)

**Figure 2: Economic inactivity among 50–64-year-olds**

Source: Office for National Statistics, 'LFS: Economic inactivity rate: UK: All: Aged 50–64: %: SA'; Office for National Statistics, 'LFS: Economically Inactive: UK: All: Aged 50–64: Thousands: SA'

30. The pandemic afforded some the opportunity to re-evaluate their life and their priorities, and they decided that they no longer wanted to work or were ready to retire. Others were forced to leave work as caring responsibilities intensified, to support family with childcare or to look after relatives suffering with ill-health.<sup>41</sup> With the immense pressures placed on the NHS by the pandemic, waiting lists grew and people were forced to leave the workplace due to ill-health. Many more who initially left the labour market for retirement in good health, have subsequently seen their health deteriorate, leaving them unable to return to work.<sup>42</sup> Large groups of people in this age group were forced out of work as businesses closed and employees were made redundant. 50-to-64-year-olds made up about a third of redundancies during the pandemic.<sup>43</sup> The Financial Conduct Authority found that, of those who retired between March and October 2020, 23% had done so because they lost their job due to the pandemic.<sup>44</sup>

31. As the UK began to recover from the pandemic and businesses reopened, many people who had been unable to work during the pandemic successfully returned to employment. However, people over the age of 50 had far less success returning to work. Older workers who were made redundant during the pandemic were half as likely to have a job within six months than younger workers. According to Luke Price from the Centre for Ageing Better, “once this age group has left the labour market or left a job, it is much harder for them to re-engage” and the support that has been needed to help them return to work has not been available.<sup>45</sup>

41 [Q218](#)

42 [Q44](#)

43 [Q153](#)

44 Financial Conduct Authority, 'Financial Lives 2020 survey: the impact of coronavirus' (11 February 2021)

45 [Q153](#)

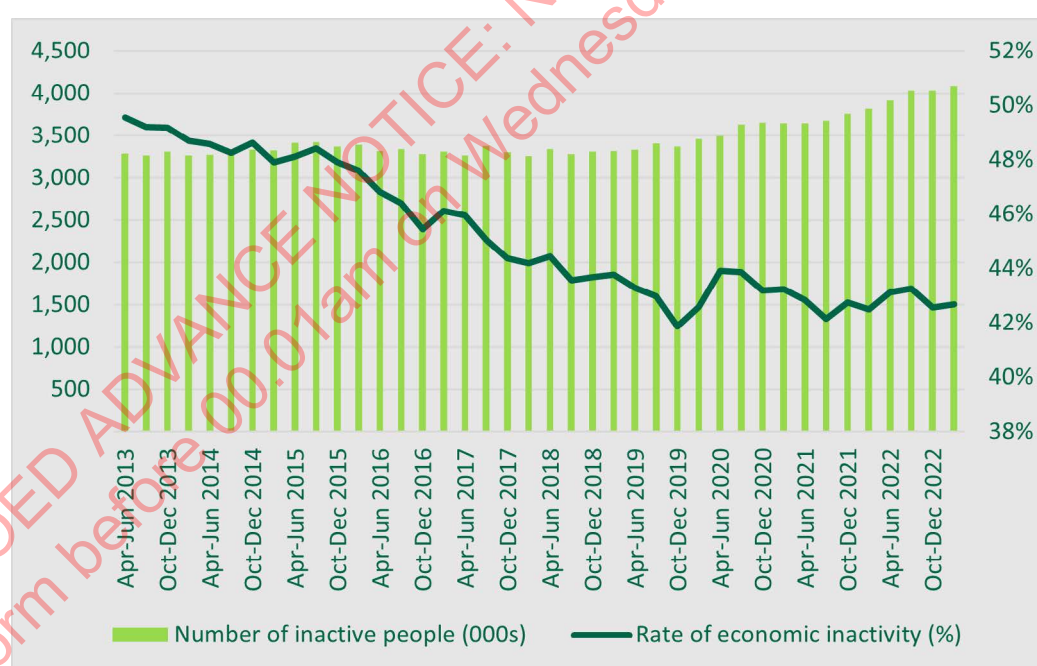


## People with disabilities and long-term health conditions

32. People with disabilities and long-term health conditions have always faced some of the highest levels of economic inactivity in the UK. Despite legal protections and efforts to promote inclusivity, a substantial proportion face significant barriers to employment. Various factors contribute to this situation, including inaccessible workplaces, limited efforts to accommodate needs, negative attitudes, and discriminatory practices. As a result, disabled people experience higher unemployment rates and are more likely to be economically inactive compared with their non-disabled counterparts.<sup>46</sup> Over 4 million individuals, accounting for 47% of all working-age people who are economically inactive, are disabled.<sup>47</sup>

33. Before the pandemic, however, the general trend in disability employment had been positive (see figure 3). Between October–December 2019, 41.9% (3.37m) of working-age people with disabilities were economically inactive, the lowest rate for this group since comparable estimates were first published in 2013.<sup>48</sup> The pandemic reversed this trend, with levels increasing to a record high of 43.9%, in April–June 2020. The most recent figures (January–March 2023) estimate that 42.7% (4.09 million) of people with a disability are economically inactive. Although this is slightly lower than the peak in 2020, the rate of economic inactivity among disabled people is the highest it has been since 2013, excluding the period of the pandemic.<sup>49</sup>

Figure 3: Economic inactivity among disabled people



Source: Office for National Statistics, 'A08: Labour market status of disabled people' (16 May 2023)

46 Sense ([JES0054](#)) and Scope ([JES0050](#))

47 Office for National Statistics, 'INAC01 SA: Economic inactivity by reason (seasonally adjusted)' (11 July 2023); Office for National Statistics, 'A08: Labour market status of disabled people' (16 May 2023)

48 gov.uk, 'Employment of disabled people 2022' (26 January 2023)

49 Office for National Statistics, 'A08: Labour market status of disabled people' (16 May 2023)

34. According to James Taylor from Scope, this is due in part to the increase in NHS waiting lists:

Many people have to wait for operations and appointments, which causes them to fall out of the workplace. Some 35% of disabled people who left a job in the last two years are on an NHS waiting list.<sup>50</sup>

The leading cause for inactivity, as reported by almost 30% of respondents, is long-term sickness. This is the highest percentage of economic inactivity that has ever been attributed to this reason.<sup>51</sup> Here again, NHS waiting list are a problem. There have also been huge increases in mental health conditions, people reporting issues with their back and neck after working from home with the wrong equipment, and an estimated 2 million people suffering with symptoms of Long Covid.<sup>52</sup>

35. There are a wide variety of reasons people with a disability or long-term health condition are falling into economic inactivity. Employer attitudes, difficulties getting support, lack of flexible working practices, restrictions on training and lack of specialist advice all contribute to the problem and need concerted efforts to remedy.<sup>53</sup>

## Barriers to becoming economically active

36. In the sections that follow we will explore the drivers for economic inactivity and how these affect particular groups.

## Mental health and a crisis of confidence

37. According to research conducted by Mind, around a third of adults and young people said their mental health had deteriorated significantly since March 2020—many of these people did not seek support. The pandemic affected people's lives in countless ways: affecting work, education, relationships, and emotional, social and physical wellbeing. 55% of adults and young people said they were worried about seeing or being near others and increased social isolation led to more people struggling with loneliness. The impact on the mental health of young people, however, was particularly pronounced. 88% of young people said that loneliness had made their mental health worse during the pandemic.<sup>54</sup> During the pandemic record numbers of children and young people were referred to mental health services with a 134% increase in April–June 2020 compared with the same period in 2019.<sup>55</sup>

38. Mental health is a major problem among young people, with a significant increase in the percentage of young people who are NEET (Not in Employment, Education or Training) reporting mental health problems over the last 10 years. This problem was further exacerbated by the pandemic, with increased social isolation and major disruption

50 [Q130](#)

51 Office for National Statistics, '[INAC01 SA: Economic inactivity by reason \(seasonally adjusted\)](#)' (11 July 2023); Office for National Statistics, '[A08: Labour market status of disabled people](#)' (16 May 2023)

52 [Q130](#); Office for National Statistics, '[Prevalence of ongoing symptoms following coronavirus \(COVID-19\) infection in the UK: 30 March 2023](#)' (30 March 2023)

53 Scope ([JES0050](#))

54 Mind, '[Coronavirus: the consequences for mental health](#)' (July 2021)

55 Royal College of Psychiatrists, '[Record number of children and young people referred to mental health services as pandemic takes its toll](#)' (23 September 2021)



to education came a rise in mental health challenges for young people, particularly around anxiety and agoraphobia. In 2011, 11% of the NEET population reported mental health problems compared with over 30% in 2021.

39. This has directly impacted young people's capacity to engage with the labour market. In a poll of young people without a job, mental health was identified as the most common barrier to employment faced by this group.<sup>56</sup> 46% of young people without a job said that mental health problems or caring responsibilities which developed as a result of the pandemic were the reason for being out of work. The link between work and mental health is bidirectional; being out of work can exacerbate mental health problems which in turn makes it progressively harder to obtain and maintain employment. As such, good mental health is central to successful and sustained engagement with the labour market.<sup>57</sup>

40. Contributing to these concerns around mental health are reports of a lack of self-confidence among young people. Young people do not feel prepared for the workplace or equipped to successfully apply for jobs. In addition, many young people lack confidence in the prospect of finding good quality work and think that employers are unsupportive of hiring young people.

41. Young people faced significant disruption to their education as a result of the Covid-19 pandemic; impacting their self-confidence and preparedness for the world beyond school.<sup>58</sup> This disruption also significantly reduced the opportunities for young people to gain work experience; a crucial stepping-stone into the world of work.<sup>59</sup> The increase in remote working post-pandemic has continued to restrict access to these opportunities.<sup>60</sup> Work experience helps develop understanding of, and interest in different careers and helps build the confidence and skills needed to succeed in the workplace.<sup>61</sup> Dr Rachel Doern, from the Institute for Management Studies at Goldsmiths, University of London, conducted a study to explore the opportunities and barriers for small and medium enterprises (SMEs) to engage with the youth labour market. Findings showed that a lack of work experience could act as a deterrent to employers:

The study found that unstructured training provision was a factor affecting recruitment practices within SMEs, with businesses preferring to focus on candidates that had the requisite skills/experience, reducing the likelihood of young people being considered for a vacancy. SME owners were also concerned about bringing in young people with little to no work experience who might require constant support and take a full-time member of staff away from their work.<sup>62</sup>

42. For those furthest from the labour market, facing multiple or complex barriers to employment, the importance of gaining experience in the workplace is even greater. Young people with autism, severe mental health problems or other disabilities; care

56 [Q97](#)

57 Sport and Activity Professionals ([JES0007](#))

58 Youth Employment UK ([JES0016](#))

59 [Q97](#)

60 Reed in Partnership ([JES0039](#))

61 [Q113](#)

62 Dr Rachel Doern (Reader in Entrepreneurship at Institute for Management Studies, Goldsmiths, University of London) ([JES0008](#))

leavers, people who have experienced homelessness or those who have never had a job; these are some of the people for whom access to high-quality work experience is essential if we want to enable all young people to succeed in the labour market.<sup>63</sup>

43. The combined effect of poor mental health, a lack of confidence, and reduced opportunities to gain high quality work experience or learn about careers has placed young people at greater disadvantage in the labour market.<sup>64</sup>

### *Youth Hubs: integrating mental health care into employment support*

44. Whilst there are some reports that Kickstart had a positive impact on the mental health of young participants, it is regrettable that this scheme did not have mental health support explicitly built in. Integrating mental health support into schemes designed to support young people helps ensure they are ready to move into work.<sup>65</sup> Youth Hubs are shared spaces with DWP work coaches working alongside partners such as colleges, charities, training providers and local councils, providing access to a range of services in one location. They offer skills, training, and employment provision, and integrate a range of local services such as debt management, housing support and mental health support.<sup>66</sup> It is welcome that there is currently a mental health support service in all Youth Hub locations and that every young person referred to a Youth Hub is given access to this support.<sup>67</sup> However, it appears there is a lack of guidance on expected standards that all Youth Hubs must meet. Billy Harding from Centrepont said that this would help create “psychologically informed environments” by “ensuring a base level of training around psychologically informed support and ensuring that there is a base level of standards for Youth Hubs across the country that organisations can refer to.”<sup>68</sup>

45. There are currently over 150 Youth Hubs across the UK and the Government announced in Spring Budget 2023 that eligibility for the Youth Offer would be expanded to include young people in receipt of Universal Credit who are not currently searching for work, including young parents and carers.<sup>69</sup> DWP have said that there is at least one Youth Hub in every Jobcentre Plus district. However, with an estimated 770,000 NEET young people in the UK, this would mean that, on average, each Youth Hub would need to support over 5,100 young people if support were accessible to all.<sup>70</sup> Moreover, given that some districts are very large, consisting of multiple counties, it is likely many people are physically unable to access a Youth Hub.<sup>71</sup> Most young people who are economically inactive are not in receipt of Universal Credit and therefore do not have access to the valuable support that Youth Hubs can provide. The Prince’s Trust told us that expanding the eligibility criteria beyond young people claiming Universal Credit would help ensure they have access to essential employment services with integrated mental health support.<sup>72</sup>

63 Ambitious about Autism ([JES0053](#)); Barnardo’s ([JES0064](#)); Miss Macaroon C.I.C. Ltd ([JES0003](#))

64 Youth Employment UK ([JES0016](#))

65 Miss Macaroon C.I.C. Ltd ([JES0003](#)); [Q97–99](#)

66 Department for Work and Pensions ([JES0066](#))

67 Yorkshire and Humber Public Health Network, ‘[Jobcentre Plus Youth Hubs](#)’

68 [Q124](#)

69 HM Treasury, ‘[Spring Budget 2023](#)’ (15 March 2023), p 50

70 Office for National Statistics, ‘[Young people not in education, employment or training \(NEET\), UK: May 2023](#)’ (25 May 2023)

71 [whatdotheyknow.com](#), ‘[Jobcentre Plus Offices by District](#)’

72 The Prince’s Trust ([JES0024](#))

46. In order for Youth Hubs to meet their potential, the funding of the scheme needs further consideration. Richard Rigby from the Prince's Trust told us that there is “an opportunity to improve the quality” of Youth Hubs but currently “there is no funding involved for organisations that are helping with those youth hubs”. Barry Fletcher from Career Connect also stressed the importance of providing adequate funding for Youth Hubs:

There is not a specific funding pot [ ... ]; it relies on local organisations working with JCP on bringing people together and collaborating, but collaborating without an overarching funding structure.<sup>73</sup>

47. Whilst there is considerable commendation for the work that is done by Work Coaches, and numerous reports of the invaluable support that they offer to claimants, many young people have negative perceptions of Jobcentre Plus. There is evidence that young people do not see Jobcentres as somewhere they want to go or that will effectively support them.<sup>74</sup> Youth Hubs offer a more community-based, youth-friendly setting that has a distinct identity, detached from any negative connotations with Jobcentres. They offer a route to engage with support for those young people who are reluctant to go into a Jobcentre. Youth Hub Work Coaches are seen as being more engaged in the lives of the young people they support. Young people view them as offering a less rigid approach to support compared with Jobcentre Plus where targets are seen to be prioritised over the outcomes or the long-term interests of young people.<sup>75</sup> Youth Hubs present an opportunity to rebuild trust with young people and this establishes a good foundation from which support for mental health can be effectively delivered.

### *Integrating employment support into mental health care*

48. DWP has also recognised the importance of integrating employment support into mental health care. DWP sponsors a number of cross-government programmes with DHSC. Since 2008, Employment Advisers (EAs) were introduced into some Improving Access to Psychological Therapies (IAPT) services (now known as NHS Talking Therapies). This has expanded to cover 40% of Clinical Commissioning Groups in England. The service connects employment support with mental health provision, supporting people with common mental health conditions. It serves people who are out of work due to ill-health, looking for work, or in work but struggling to cope.<sup>76</sup> The Individual Placement and Support (IPS) service integrates employment support within community mental health teams for people experiencing severe mental health conditions. It aims to help people find and retain employment.<sup>77</sup> In June 2022, the Individual Placement and Support in Primary Care (IPSPC) initiative was introduced, with grant funding available for around six services. IPSPC offers a similar model of support to IPS but in a primary care setting for people experiencing common physical or mental health disabilities.<sup>78</sup> However, there is no integrated employment support within children and young people's mental health services (CYPMHS). This means that young people who are experiencing problems with

73 [Q124](#)

74 [Q119](#)

75 Centrepoint ([JE50011](#))

76 gov.uk, '[Employment advisers in improving access to psychological therapies: client research](#)' (05 May 2022)

77 nhs.uk, '[Individual Placement and Support offers route to employment for people with severe mental health conditions](#)'

78 gov.uk, '[Letter: Individual Placement and Support in Primary Care \(IPSPC\) initiative](#)' (8 August 2022)

their mental health and are on the threshold of leaving school do not have access to this kind of support. This could make the difference between successfully entering the labour market and falling into unemployment or economic inactivity.

49. The pandemic has led to a steep rise in mental health problems among young people. Whilst maintaining steady employment often helps people to sustain good mental health, problems with mental health are a principal barrier to employment for many 16-to-24-year-olds. *Support for mental health should be treated as a foundational aspect of employment support for young people. Mental health support and specific training designed to build confidence around job readiness should be integrated into future DWP programmes designed for this age group. DWP should consult with mental health professionals when designing this support to ensure it is appropriate and effectively integrated into the programme.*

50. DWP Youth Hubs offer vital services to young people and the provision of mental health support services in all Youth Hubs is a critical part of that. However, not all young people who need this support are currently able to access it. There is also insufficient guidance to ensure that the mental health support provided meets appropriate quality standards across the Youth Hub network. *Whilst the work that DWP is doing with integrated mental health support in Youth Hubs is encouraging, DWP must ensure that these services are available to all young people who are out of work across the country. Eligibility requirements should be expanded so that economically inactive young people who are not claiming Universal Credit but want help returning to the labour market are able to access Youth Hub services.*

51. *DWP should ensure that mental health support services continue to be set up in all new Youth Hub locations as a mandatory element. DWP need to set clear guidance for these services to ensure a baseline standard of delivery across the Youth Hubs network.*

52. *We welcome the expanded funding in Spring Budget 2023 for Youth Hubs. DWP needs to establish an overarching funding structure and dedicated funding pot for Youth Hubs. DWP must also undertake an analysis of existing Youth Hubs to establish good practice and cost effectiveness. Knowledge and lessons learned should be shared with new centres.*

53. *We welcome the joint DWP and the DHSC Individual Placement and Support in Primary Care (IPSPC) initiative that has tried out embedding employment support in mental health services for mild to moderate mental health conditions. The Department should work with devolved administrations to roll out IPSPCs more widely so that this service is available across the country. DWP should also consider how NHS integrated care systems can provide employment support to people with other long-term health conditions, along with mental health.*

54. *The Government should have the IPSPC initiative rolled out across the country by the end of this financial year in March 2024.*

### **Challenges for young people in supported accommodation**

55. Young people in supported accommodation have faced significant disadvantage in their lives, whether they are care leavers or have experienced homelessness. They also

face a difficult choice between stable housing and employment. For people in supported accommodation, high housing costs and complex benefit rules act as deterrents to engaging and progressing in work. Most people now make their entire claim for benefits through Universal Credit, including any benefit for housing costs. However, young people in supported accommodation must claim both Universal Credit and Housing Benefit, with the housing element still retained within the legacy system. As they start working, their Universal Credit is tapered off at a rate of 55p for every pound earned up to £122.56 per week. At this point, under Housing Benefit rules, any income exceeding £72.20 triggers a higher taper rate of 65%. This leads to a cliff edge where their benefits begin to be withdrawn at a lower earnings point and at a faster rate than for individuals claiming benefits entirely through Universal Credit.<sup>79</sup>

56. This creates a significant financial disadvantage for young individuals in supported accommodation, discouraging them from seeking employment, pursuing opportunities for progression, or taking on additional hours. According to Centrepoin, who have provided evidence on this issue for the inquiry:

A young person aged 23 in supported accommodation working 12 hours per week would actually be £26.10 worse off if they started working an extra hour per week (a total of 13 hours), and only £23.48 better off a week than if they were not working at all.<sup>80</sup>

Centrepoin research into the benefits system in October 2021 found that of 215 homeless young people, 48% reported that they had turned down a job or more hours due to the impact higher earnings would have on their benefits.<sup>81</sup>

57. **The benefit rules for Universal Credit and Housing Benefit can interact in such a way that a cliff edge arises when claimants in supported accommodation who must claim both benefits work more than 12 hours a week. This is counter-productive to encouraging younger employees to return to the labour market. DWP should not maintain any policies or practices that stand in the way of people who want to work. Not only does this reduce labour market engagement in the short-term it can also prevent people from progressing at work and becoming financially independent in the long-term. DWP needs to remove this cliff edge. The Government should increase the applicable amount within Housing Benefit for young people in supported accommodation to £117.56 a week, either by raising the personal allowance or by introducing a new premium. This would bring the benefit taper in line with those not in supported housing. This change should be implemented no later than the start of the 2024–25 financial year.**

### **Flexible working**

58. For many people, taking on a full-time nine-to-five role, five days a week is not possible. Older workers; people who have a disability or long-term health condition; people with caring responsibilities; single parents or disadvantaged mothers: for numerous reasons, many people can struggle to take on full-time employment. Access to flexible working, therefore, can be fundamental to successful labour market engagement for many. Even

79 Centrepoin ([JES0011](#)) ; Shelter, '[Benefits](#)

80 Centrepoin ([JES0011](#)) Evidence based on 2022-23 benefit rates.

81 Centrepoin ([JES0011](#))



with excellent, targeted employment support services, if there is a shortage of suitable jobs offering flexible working conditions then it will remain unfeasible for some people to maintain employment over the long-term.<sup>82</sup>

59. Older workers are one of the groups experiencing high levels of economic inactivity for whom access to flexible working is central to their engagement with work. Luke Price from the Centre for Ageing Better highlighted how the world of work is failing to meet the needs of older people:

The new world of work and how it changed during the pandemic was no longer suitable to fit with their needs for care and health, so they took the choice to leave work. There was no support from employers or appropriate employment support and they are not engaged with the labour market now.<sup>83</sup>

60. The needs of older workers and the working conditions they require have changed considerably from before the pandemic, but the labour market has not adapted to accommodate these needs. The result is a lack of suitable jobs and an absence of employers willing to provide the working conditions essential to many older workers. Particularly for those with health conditions or caring responsibilities, taking on a full-time, fixed-hour job is not feasible and older workers need to be able to fit work around their responsibilities.<sup>84</sup> An ONS survey of people aged 50–65 who left work during the pandemic showed that of the 58% who would consider returning to work, the most important factor when choosing a job was flexible working hours.<sup>85</sup>

61. Disabled people and those with long-term health conditions also have much to be gained from greater access to flexible working. For many disabled people, working a full-time job with fixed working hours is not possible. If the only available work is offered under this structure then many people with a disability or health condition will struggle to find a suitable job. However, as asserted by Jane Hunt from the Association of Disabled Professionals, “flexibility removes the barrier of getting to work”. Scope highlighted that flexible working patterns were “consistently seen as key enablers (for disabled people) to successfully start and maintain a job” and said that “those disabled people who were able to work remotely were less likely to drop out of employment”.<sup>86</sup> Research conducted by the Work Foundation on hybrid working for disabled people found that 85% of those surveyed agreed or strongly agreed that they felt more productive working from home. However, they worried about isolation, the attitudes of colleagues, diminished progression opportunities, and a lack of reasonable adjustments.<sup>87</sup> This indicates that increased access to flexible working opportunities must be supported by a corresponding change in employer attitudes so that people operating flexible work patterns are not undervalued or excluded.<sup>88</sup>

**We welcome the Minister for Disabled People, Health and Work’s intention for “a root and branch” review of the Disability Confident scheme and his acknowledgment of the role this will play in changing attitudes around disabled workers.**<sup>89</sup>

82 Scope, ‘[Disabled employee retention](#)’; Q113; Q246; Belina Grow ([JES0020](#))

83 [Q153](#)

84 [Q177](#)

85 Office for National Statistics, ‘[Reasons for workers aged over 50 years leaving employment since the start of the coronavirus pandemic: wave 2](#)’ (27 September 2022)

86 Scope ([JES0050](#))

87 The Work Foundation, Lancaster University, ‘[The changing workplace: Enabling disability-inclusive hybrid working](#)’ (July 2022)

88 Shaw Trust ([JES0012](#))

89 [Q437](#)

62. Whilst the pandemic has led to an increase in the availability of home working or hybrid roles, there is a widespread need for a greater availability of other forms of flexible work.<sup>90</sup> In April 2022, the Chartered Institute of Personnel and Development (CIPD) produced a report, *Trends in Flexible Working Arrangements*, which found that following the pandemic the prevalence of homeworking increased from 5% to 19% but that part-time working, including term-time working and job sharing, dropped significantly during the pandemic and has not recovered to pre-pandemic levels.<sup>91</sup> According to an ONS analysis of homeworking from September 2022–January 2023, 16% of working adults reported homeworking only and 28% reported hybrid working. Workers in the highest income band, those who were educated to degree level or above, and those in professional occupations were most likely to report home only or hybrid working. Younger workers were found to be the least likely to work from home with 65% of 16-to-24-year-olds saying they are not allowed to home-work, followed by 53% of 55-to-64-year-olds.<sup>92</sup>

63. Analysis of ONS data (April–June 2023) shows that the industries with the highest number of vacancies are Human health and social work activities with 187,000, Wholesale and retail trade (including repair of motor vehicles and motorcycles) with 138,000, and Accommodation and food service activities with 129,000. Human health and social work activities and Accommodation and food service activities also have two of the highest industry vacancy ratios with 4.3 and 5.3 vacancies per 100 employee jobs respectively.<sup>93</sup> These industries are characterised by low salaries and unattractive or inflexible working conditions, and has traditionally attracted a significant number of EU nationals prior to the pandemic and restrictions on freedom of movement. Where employers are struggling to fill vacancies but are unable or unwilling to increase salaries, increasing job flexibility should be seen as a viable solution to the problem.<sup>94</sup>

64. Flexible working needs to be understood as an essential enabler of labour market engagement for many people whilst also providing a potential solution for employers who are struggling to fill job vacancies. Employers need to be supported to recognise these benefits and change workplace attitudes around flexible working and the people who need it.<sup>95</sup>

65. **Many people are not able to work full-time, and a lack of suitable, flexible work is barring people from engaging with the labour market. This is particularly evident for people who have additional needs or responsibilities which make more traditional working patterns challenging. DWP should produce a hiring guide within the next six months which encourages employers to create opportunities for flexible working where possible, including hybrid working, job sharing, flexible hours and part-time roles. This guidance should highlight the benefits to both employers and employees and promote a change in employer attitudes towards offering greater flexibility to staff. The success of these initiatives will partly depend upon the impact that they have on productivity.**

90 Q153

91 Belina Grow (JES0020); cipd.org, '[Trends in flexible working arrangements](#)' (12 April 2022); Office for National Statistics, '[Employment in the UK: June 2023](#)' (13 June 2023)

92 Office for National Statistics, '[Characteristics of homeworkers, Great Britain: September 2022 to January 2023](#)' (13 February 2023)

93 Office for National Statistics, '[VACS02: Vacancies by industry](#)' (11 July 2023)

94 Greater Manchester Poverty Action ([JES0010](#))

95 Trades Union Congress ([JES0030](#))



### ***Employer attitudes: acknowledging and tackling biases***

66. Negative attitudes fuelled by ill-founded assumptions mean that affected groups of people face barriers to finding and staying in work that cannot be addressed simply through employment support for the individual.<sup>96</sup>

67. Two groups in particular appear to suffer the effects of negative employer attitudes on their employment opportunities: older workers and disabled workers. According to the Centre for Ageing Better, “a third of over 50s think their age would work against them when looking for a job, and many have experiences of direct and indirect ageism”<sup>97</sup> and Wise Age emphasised that “the elephant in the room in much of the discussion about older workers is the pernicious effects of ageism by employers”.<sup>98</sup> Sense highlighted how negative employer biases towards disabled people can be seen in “unfair recruiting practices, a lack of suitable job opportunities and a failure to provide employees with the support they need to work effectively.”<sup>99</sup>

### ***Ageism at work***

68. Beyond the point of finding a job for which to apply, older people face another significant barrier to employment: ageism in recruitment and the workplace. The Centre for Ageing Better conducted research into recruitment of older workers which indicated that many older workers experience ageism at work and in recruitment. The Centre for Ageing Better informed us in their submission that:

Cues from employers, such as asking for ‘a recent graduate’ sends the message that the employer is looking for younger applicants. This can harm the confidence of older jobseekers, as well as making it clear to other older workers that their contributions are not as important as that of younger workers. It is important that employers are made aware that language in job adverts and other recruitment materials can lead to them missing out on talented applicants.<sup>100</sup>

69. Ageism can also impact older people’s motivation to look for work and self-perception of their value as a worker. Evidence from Wise Age highlighted how “workers suffer from internalised ageism”<sup>101</sup> and Luke Price from the Centre for Ageing Better told us:

You constantly hear these ageist narratives and ideas about workers not being as productive or taking more sick leave, which are often based on negative stereotypes that are not true, and you can start to believe these things.

70. Ageism continues to be a problem beyond the point of getting a job. In order to avoid being labelled with negative stereotypes, older workers can be reluctant to disclose age-related health conditions. Workers are concerned that they will be met with negative attitudes, feel excluded in the workplace and be pushed out of work as a result. The

96 Scope ([JES0050](#))

97 Centre for Ageing Better ([JES0022](#))

98 Peter Murphy (Trustee Director at Wise Age) ([JES0081](#))

99 Sense ([JES0054](#))

100 Centre for Ageing Better ([JES0022](#))

101 Peter Murphy (Trustee Director at Wise Age) ([JES0081](#))

Centre for Ageing Better told us that “it is vitally important that Government works with employers [ ... ] to send the message that older workers will be supported, not stigmatised, for disclosing health conditions or requesting adjustments.”<sup>102</sup> In order to tackle the problem of economic inactivity among the over 50s, we heard initiatives to make sure people stay in work are needed alongside those to bring people back into employment. The Centre for Ageing Better said the problem of disengagement would not be resolved whilst ageist attitudes in the labour market were making older workers less likely to continue working.<sup>103</sup>

71. Employers who recognise the value of older workers are creating a workplace where older workers are able to succeed: providing flexible working opportunities, ending ageist recruitment practices, challenging stereotypes and helping employees manage health conditions alongside work.<sup>104</sup> However, the Centre for Ageing Better told us that not all employers are prioritising providing support of this kind, despite a widespread need to fill vacancies and evidence that multigenerational workforces are the most effective and innovative. This support is vital to enable older workers to stay in and return to the labour market.<sup>105</sup> Wise Age stressed the need for employer attitudes to change:

We need more age friendly employers—who value older workers, make their organisations fit for them, eliminate ageism in recruitment, ensure flexible working opportunities, use job design for older workers’ needs, [ ... ] and promote the direct benefits of older workers in the workforce in terms of productivity.<sup>106</sup>

72. In May 2023, we heard evidence from Guy Opperman MP, Minister for Employment and Tom Pursglove MP, Minister for Disabled People, Work and Health. In subsequent correspondence, Mr Opperman explained how the expansion of Returnerships, announced in the Spring Budget, would help to support labour market engagement of the over 50s and said that “both the Department for Education and Jobcentre Plus will raise awareness of these pathways, providing a clear route back into work and encouraging employers to hire older workers.”<sup>107</sup> The Minister for Employment’s acknowledgement of the need to encourage employers to employ older workers is positive. It is unclear to what extent these plans will tackle the underlying ageism in the labour market or drive a change in employer attitudes.

### *Ableism at work*

73. Disabled people face substantial and complex barriers across all areas of their lives. These barriers comprise a combination of environmental, attitudinal and systemic factors which reduce and often prevent access to equal opportunities. In relation to work, environmental barriers can prevent free movement into or between places through lack of accessible transport, poor access into or within buildings, or inadequate assistance to navigate an area. According to the Association of Disabled Professionals, this prevents “equal access to services or information” and is often justified “with perceived cost implications [ ... ] used as a reason to exclude people.” Attitudinal barriers result where

102 Centre for Ageing Better ([JES0022](#))

103 Centre for Ageing Better ([JES0022](#))

104 Centre for Ageing Better ([JES0022](#))

105 Centre for Ageing Better ([JES0022](#))

106 Peter Murphy (Trustee Director at Wise Age) ([JES0081](#))

107 [Correspondence with the Minister for Employment relating to Plan for Jobs and employment support](#)

employers and colleagues hold opinions about disabled people based on assumptions and stereotypes which lead to inequitable treatment, with a “focus on deficits [ ... ] rather than skills and actual abilities”. Systemic barriers occur where organisational policies or practices fail to accommodate differences, are difficult to navigate or understand, or are inappropriately applied.<sup>108</sup>

74. There is a legal requirement under the Equality Act 2010 for employers to make reasonable adjustments to avoid any disadvantages that disabled employees face. Employers may need to make adjustments by changing policies or practices, altering or removing physical features or providing auxiliary aids and services.<sup>109</sup> However, research by the Trades Union Congress found that before the pandemic, 45% of disabled workers got none or only some of the reasonable adjustments they requested and 20% had not requested the reasonable adjustments they required. Together, more than half of the disabled workers who had identified reasonable adjustments had not had these fully implemented. During the pandemic, 46% of requests were either entirely or partially refused and 30% of disabled people who needed reasonable adjustments had not asked for them. Both before and during the pandemic over 40% of disabled workers were given no explanation as to why the adjustments had not been implemented, making it difficult to understand employers’ reasoning or to challenge the decision.<sup>110</sup> The Trades Union Congress said that the “lack of an explanation as to why a request has been rejected could also amount to discrimination.”<sup>111</sup> Jane Hunt from the Association of Disabled Professionals said:

There are some employers who are very good at implementing workplace adjustments. Most workplace adjustments are about flexibility of working, which costs nothing. I think some employers are finding it very difficult to realise that some reasonable adjustments are very cheap to make. Some reasonable adjustments are about thinking about how people do the task. It is about thinking about the job itself and the environment and removing the barriers.<sup>112</sup>

75. A large proportion of disabled people have also suffered negative experiences at work and the impact this has on finding and staying in work is significant. Scope told us that “over a third of disabled people (36%) often experienced negative attitudes and behaviours” and that “over a quarter of disabled people (26%) stated that they often experienced discrimination.”<sup>113</sup>

76. These experiences impact both individuals’ self-confidence and the confidence that disabled people have in employers to safeguard them against discrimination and to provide a suitable working environment with required reasonable adjustments. Scope reported that “as a result of the negative attitudes and behaviours they experienced, over a third (35%) said they now avoided looking for employment or promotions completely.”<sup>114</sup>

108 Association of Disabled Professionals ([JES0062](#))

109 Equality Act 2010, [section 20](#)

110 Trades Union Congress, ‘[Disabled workers’ experiences during the pandemic](#)’ (05 June 2021)

111 Trades Union Congress ([JES0030](#))

112 [Q137](#)

113 Scope ([JES0050](#))

114 Scope ([JES0050](#))

Research conducted by the Royal National Institute of Blind People highlighted that “one-third of people with sight loss who are not in work said the biggest barrier to them getting a job was the attitude of employers.”<sup>115</sup>

77. In an effort to change employers’ attitudes towards employing disabled people, in 2016 the Government launched the Disability Confident employer scheme (see Box 1). The scheme aims to encourage employers to change attitudes towards disability and take action to improve how they recruit, retain and develop disabled employees. Employers must complete a series of actions to achieve accreditation at one of three levels, each of which must be completed before moving to the next.

**Box 1: Disability Confident employer scheme levels**

**Level 1: Disability Confident Committed**—employers must agree to the five Disability Confident commitments and identify at least one of the recognised actions that they will carry out, or have already implemented, to make a difference for disabled people.

**Level 2: Disability Confident Employer**—employers must complete a self-assessment of their organisation around the two themes of “getting the right people for your business” and “keeping and developing your people”. The Level 2 accreditation lasts for three years.

**Level 3: Disability Confident Leader**—employers at this level must act as a champion of disability confidence within local and business communities. Employers need to have their self-assessment validated by someone outside of their business, provide a short narrative to show what they have done or will be doing to support their status as a Disability Confident Leader, confirm they are employing disabled people, and report on disability, mental health and wellbeing, by referring to the Voluntary Reporting Framework.<sup>116</sup>

Source: [Disability Confident employer scheme - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/collections/disability-confident-employer-scheme)

115 The Royal National Institute of Blind People (RNIB) (JES0026)

116 gov.uk, ‘[Voluntary reporting on disability, mental health and wellbeing: A framework to support employers to voluntarily report on disability, mental health and wellbeing in the workplace](#)’ (22 November 2018)

78. The aims of the scheme are clearly important and the need for initiatives that push to change employer attitudes to disabled workers is evident. There are now 18,400 employers that have a Disability Confident accreditation and the growth in employer participation is encouraging.<sup>117</sup> However, there are concerns that this has not equated to a commensurate improvement in employer attitudes or working conditions for disabled people. Professor Kim Hoque, founding member of Disability@Work, told us that “the growth in the number of Disability Confident employers gives the impression of improvement, but that is a false impression of improvement, because unless they are actually doing anything different, there is no improvement at all.”<sup>118</sup>

79. Currently, employers obtain a Disability Confident accreditation by committing to implement certain policies, practices and procedures but it does not require any evidence in terms of employment outcomes for disabled people. Critically, there is no requirement for an employer to hire any disabled people in order to gain levels 1 or 2 of the accreditation.<sup>119</sup> Professor Kim Hoque argued that the scheme should take an outcomes-based view of success:

Our argument is that it should be based in particular on whether you meet certain thresholds in terms of the percentage of your workforce that is disabled. Employers really should not have Disability Confident accreditation unless they are actually employing disabled people in significant numbers.<sup>120</sup>

80. Although more stringent requirements may result in a reduction in Disability Confident accreditations going down, it would make the scheme more valuable for the disabled people it is trying to support. Dr Jenny Ceolta-Smith from Long Covid Support and Long Covid Work told us that under the current system there are “numerous people with long covid who have been dismissed by Disability Confident employers” and that “people are not getting the reasonable adjustments” that they need.<sup>121</sup> A scheme that gives information to disabled jobseekers about which employers hire disabled employees would help provide some assurance that they will not face discrimination from those employers. According to Professor Kim Hoque “at the moment, the scheme does not have a particularly good reputation among disabled people. This is a way in which that could be remedied.”<sup>122</sup>

81. In our *Disability employment gap* Report, published in 2021, we recommended that the Department should:

- a) urgently evaluate the Disability Confident scheme;
- b) explore ways to measure its success, including introducing a mandatory requirement for employers at levels 2 and 3 to publish the percentage of disabled employees;
- c) establish an independent body to assess these employers; and

117 gov.uk, ‘[Employers that have signed up to the Disability Confident scheme](#)’ (06 July 2023)

118 [Q138](#)

119 gov.uk, ‘[Disability Confident employer scheme](#)’ (15 June 2021)

120 [Q138](#)

121 [Q139](#)

122 [Q138](#)



- d) include a requirement for employers to recruit disabled people before being awarded a higher level of accreditation.<sup>123</sup>

In its response to the Report, the Government said it would be conducting a review of the scheme and consider how best to measure its impact. The Government also said in Autumn 2021 that it would undertake an employer survey to explore the scheme's impact on recruitment and retention attitudes towards disabled people. It also said that it would "consider whether the commitments, actions and guidance within the scheme's criteria is sufficiently challenging and encourages meaningful change from employers". However, it did not agree to establish an independent body to assess employers. Since this Report was published in 2021, there is still no requirement for employers at levels 2 and 3 to publish the percentage of disabled employees or a requirement for employers to recruit disabled people before being awarded a higher level of accreditation.<sup>124</sup> For information on Access to Work and other support for people with disabilities, see Chapter 3.

**82. Ageism in the workplace is an important issue that needs to be confronted if this demographic is to be successfully supported to stay in or re-enter employment. Employers should be supported by DWP to create job roles and a workplace environment which are attractive to older workers, emphasising the value and experience that older people bring to the workplace.**

**83. DWP should establish a scheme which champions older workers and encourages employers to hire staff over the age of 50. This scheme should push to improve workplaces for older people by providing an outcomes-based accreditation to employers who can demonstrate that their workplace is welcoming and supportive of older workers. Employers who join the scheme should be required to publish staff data on over 50s employment in their organisation.**

**84. 18,400 employers now have Disability Confident accreditation, helping to encourage employers to recognise the importance of making the workplace accessible for disabled people. However, this scheme focuses on processes rather than outcomes. It does not do enough to ensure that impactful change is being made to the working lives of disabled employees or to increase the number of disabled employees that accredited employers hire. DWP should strengthen the requirement for employers to recruit disabled people before being awarded a higher level of accreditation in the Disability Confident Scheme. DWP should introduce banded thresholds for the percentage of disabled people that an employer must employ in order to attain levels 2 and 3 of the Disability Confident accreditation.**

**85. Employers at level 2 should also be required to publish the percentage of disabled employees at their organisation. This would send a much stronger signal to disabled people in the labour market about which employers employ disabled people and have supportive, accommodating working environments.**

123 Work and Pensions Committee, 'Disability employment gap' (22 July 2021), pp 45–46

124 Work and Pensions Committee, 'Disability employment gap: Government Response to the Committee's Second Report of Session 2021–22' (17 November 2021), pp 17–19

### *Prioritising health at work*

86. Creating the conditions for people to manage their health successfully while at work is an essential part of enabling people with health problems to obtain and retain work, and to be productive within the workplace. It is also a key part of the economic success of all industries and the country as a whole. Without appropriate support to manage health conditions at work, people may struggle to be productive, end up taking more sickness absence, or feel they need to leave their job.<sup>125</sup>

87. Of the 8.7 million economically inactive people in the UK, the most common reason for inactivity, given by nearly 30% of people, is long-term sickness, and 47%—over 4 million people—of all working-age people who are economically inactive are also disabled. These figures represent the highest levels and rates of economic inactivity both due to long-term sickness and among disabled people since comparable records have been recorded.<sup>126</sup> An ONS survey of workers over the age of 50 who had left work since the beginning of the pandemic showed that health was a major factor for those who had not returned to work. The survey found they were more likely to have a physical or mental health condition (51%) than those who had returned to work (43%), and more likely to report bad or very bad health (10%) than those now back in work (4%).<sup>127</sup>

88. Given the strong association economic inactivity has with ill health and disability, the importance of establishing an environment that enables individuals to manage their health effectively at work must be seen as a fundamental part of addressing the problem of economic inactivity.

### *Occupational health*

89. Occupational health services focus on promoting and maintaining the wellbeing, safety, and productivity of individuals in the workplace. They can help with the identification and management of risks in the workplace, the prevention of work-related injuries and illnesses, and the promotion of employee physical and mental health.<sup>128</sup> These services support both employers and employees to work effectively and safely.<sup>129</sup> There is evidence that occupational health services play a crucial role in helping individuals return to and remain in work, both in terms of prevention and management of ill-health. Occupational health professionals can help people make adjustments to their working life, allowing them to continue working, and can aid employers in the identification and implementation of suitable alterations. Additionally, occupational health specialists can help people to return to work by providing guidance on suitable work options that can be managed with their health conditions and instilling confidence in their ability to reintegrate into the workforce successfully. Access to occupational health services can reduce health related job loss and sickness absence, improving productivity and workforce

125 gov.uk, '[Health matters: health and work](#)' (31 January 2019)

126 Office for National Statistics, '[INAC01 SA: Economic inactivity by reason \(seasonally adjusted\)](#)' (11 July 2023); Office for National Statistics, '[A08: Labour market status of disabled people](#)' (16 May 2023)

127 Office for National Statistics, '[Reasons for workers aged over 50 years leaving employment since the start of the coronavirus pandemic: wave 2](#)' (27 September 2022)

128 nhshealthatwork.co.uk, '[What is Occupational Health?](#)'

129 [Q174](#)



retention. It can also result in savings for public health.<sup>130</sup> A study by Harvard University found that a \$1 investment in occupational health results in a saving of \$2.73 in sick leave costs and \$3.27 in medical costs.<sup>131</sup>

90. However, access to occupational health services at work is not universal. While large or public sector employers are more likely to provide access to services, employees working in smaller organisations or as self-employed individuals, are less likely to have such access due to the cost to employers. People on lower pay with fewer qualifications are also less likely to be able to access occupational health services. This disparity in availability highlights significant inequalities in who can access the support needed to continue working while managing health conditions.<sup>132</sup>

91. The Government's recent occupational health SME (small and medium-sized enterprise) subsidy pilot, which will now be expanded following the Spring Budget, aims to provide insight into how incentives could be used to encourage SME employers to invest in health and wellbeing schemes for employees. Accompanying research found that SMEs want to offer better support but lack the resources and knowledge about what to invest in. It was suggested that access to both financial support and advice would be key to improving SME uptake of schemes, although further research was recommended to inform future policy.<sup>133</sup>

92. Since the pandemic, Long Covid has impacted the working lives of many people across the UK. Long Covid is defined by persistent symptoms following a Covid-19 infection, lasting for more than four weeks. Symptoms of Long Covid are diverse and associated with both physical and cognitive symptoms such as fatigue, breathing problems, an inability to concentrate and muscle pain.<sup>134</sup> Nearly 2 million people are suffering with symptoms of Long Covid and many are struggling to return to work. Some face the prospect of losing their job as they are unable work at their full capacity. There is a lack of expertise among employers on how to manage Long Covid in the workplace or support employees who are experiencing symptoms. Access to occupational health could help mitigate these problems by ensuring both the employer and the employee have the advice and support they need.<sup>135</sup>

93. Another factor to consider, according to the British Occupational Hygiene Society, is that policies around occupational health should focus, as the priority, on the prevention of work-related ill-health:

A policy that focuses on rehabilitation and getting people back into work ignores the fundamental issues that drive people out of work in the first place and create barriers to meaningful engagement with whole sectors of employment. [ ... ] We need articulated government action to ensure that

130 SOCIETY OF OCCUPATIONAL MEDICINE (JES0006)

131 Katherine Baicker, David Cutler, and Zirui Song, "[Workplace Wellness Programs Can Generate Savings](#)", Health Affairs 29(2): 304–311 (2010)

132 Dr Darja Reuschke (Associate Professor at University of Southampton); Professor Donald Houston (University Professor at University of Portsmouth) (JES0059); SOCIETY OF OCCUPATIONAL MEDICINE (JES0006)

133 Department for Work and Pensions, '[Incentivising SME uptake of health and wellbeing support schemes](#)' (March 2023)

134 Dr Darja Reuschke (Associate Professor at University of Southampton); Professor Donald Houston (University Professor at University of Portsmouth) (JES0059)

135 SOCIETY OF OCCUPATIONAL MEDICINE (JES0006); Long Covid Support and Long Covid Work (JES0065); Office for National Statistics, '[Prevalence of ongoing symptoms following coronavirus \(COVID-19\) infection in the UK: 30 March 2023](#)' (30 March 2023)

people do not sign up to ill health when they step into work. This requires a relatively simple change in focus from [ ... ] trying to cure or mitigate occupational illness to trying to prevent it.<sup>136</sup>

94. Occupational health and occupational hygiene are often used interchangeably, but occupational hygiene has a distinct focus on preventing people from getting ill in the workplace. Aside from the benefits to the individual of working in an environment that is focused on removing health risks rather than managing collateral ill-health, there is a strong economic case for implementing a prevention-centred strategy. Professor Kevin Bampton from the British Occupational Hygiene Society told us:

It is very clear from covid that being able to prevent people from getting ill is a lot cheaper and easier than dealing with the impact of illness [ ... ] if we do not prevent and manage illness in the workplace, it can be economically catastrophic for individual companies and indeed to the whole economy.<sup>137</sup>

95. A further challenge lies in providing access to occupational health services for people who are currently out of work and without access to support. People awaiting further treatment may face difficulties navigating their health condition and its impact on their ability to return to work or seek employment without accessible occupational health resources to facilitate their successful reintegration into the workforce.<sup>138</sup> Many people who are economically inactive—including, notably many over 50s—are not claiming Universal Credit and are therefore not in contact with DWP employment support services. The link between health services and employment support is key to helping older workers back into employment.<sup>139</sup> In the Spring Budget, the Government announced plans for a number of initiatives related to occupational health (see *Plans for the future* section in Chapter 1). However, if occupational health support is only made available to people engaged with DWP services or already in employment it will not reach many of the people who need this support to get back to work.<sup>140</sup>

96. When it comes to expanding access to occupational health services, one persistent problem has been a lack of clinicians and a lack of training positions in occupational health.<sup>141</sup> In the Spring Budget, the Government announced plans for a consultation on increasing occupational health coverage, including augmenting the supply of occupational health professionals.<sup>142</sup> While this is encouraging, there is a lack of information about when this will be actioned or when the Government will release its findings.

### *Income protection insurance*

97. Income protection provides support in the event that a worker becomes unable to work due to illness or injury. It can provide a variety of support and benefits both for employees and employers, including:

136 British Occupational Hygiene Society ([JES0001](#))

137 [Q179](#)

138 [Q155](#)

139 [Q161](#)

140 [Qq155–162](#)

141 [Qq181–182](#)

142 HM Treasury, '[Spring Budget 2023](#)' (15 March 2023), p 101

- preventative support to employers who are experiencing problems with presenteeism;
- support employees who are at risk of having to stop work to help keep them in the workplace;
- rehabilitation and support returning to work; and
- income cover so that employees still receive a proportion of their income as taxable insurance payments.<sup>143</sup>

98. Income protection reduces the need to claim benefits and, where the employer provides protection, is a taxable income meaning that these individuals will still be paying into the public purse whilst out of work. For whilst workers can take out income protection insurance as an individual policy, employers can also offer cover through a group scheme as an employee benefit.<sup>144</sup> The average cost to employers of group income protection is usually between 0.5%–1.5% of payroll.<sup>145</sup> Based on the most recent ONS estimate of the average UK salary of £33,280 in April 2022, this would cost around £165–£500 per employee, per year.<sup>146</sup> Awareness of income protection insurance, and the potential benefits for employees and employers, is relatively low.<sup>147</sup>

**99. DWP should consider the potential that income protection insurance has to help people experiencing illness or injury remain in employment, support their return to work and reduce the financial burden on DWP when people become unable to work. DWP should explore how income protection insurance could work alongside occupational health as a joined-up approach to promoting workplace health.**

### Extending career lifespans

100. We were told that there are some careers which become unsustainable for many people later in life. For example, careers which involve high levels of physicality, demanding workloads or significant emotional input can lead to individuals experiencing burnout, developing physical or mental health problems, and ultimately leaving the industry or the labour market altogether.<sup>148</sup> The main reason that people working in construction either leave the sector or stop working altogether is ill-health resulting from respiratory illness, mental illness and musculoskeletal disorders.<sup>149</sup> With staff shortages and a high pressure working environment, the health care sector experiences high levels of staff burnout. The 2022 NHS staff survey results showed that only 26% felt that there were sufficient staff to cover the workload, 37% said they often or always found their work emotionally exhausting, and 34% said they often or always felt burnt out.<sup>150</sup> Moreover, healthcare is the sector experiencing the highest number of vacancies.<sup>151</sup> This has been further compounded by the end of freedom of movement.

143 Zurich, '[Income protection](#)'; Citizens Advice, '[Income protection insurance](#)'

144 financialsolutions.co.uk, '[Is income protection insurance a taxable benefit?](#)'

145 [Group Income Protection - Willis Insurance & Risk Management](#)

146 Office for National Statistics, '[Employee earnings in the UK: 2022](#)' (26 October 2022)

147 Zurich, '[Perceptions on protection](#)', p 84

148 The Health Foundation, '[NHS staff burnout highlights desperate need for workforce plan to focus on retention and wellbeing](#)', (9 March 2023); British Occupational Hygiene Society ([JES0001](#))

149 British Occupational Hygiene Society ([JES0001](#)); [Q162](#)

150 public.tableau.com, '[NHS Staff Survey 2022 national dashboards](#)' (09 March 2023)

151 Office for National Statistics, '[VACS02: Vacancies by industry](#)' (11 July 2023)

101. As highlighted in the section on occupational health earlier in this Report, prioritising prevention of work-related illness through good occupational hygiene is essential. However, according to Professor Kevin Bampton from the British Occupational Hygiene Society, this needs to be part of “a joined-up approach [ ... ], highlighting and promoting opportunities for healthy working.”<sup>152</sup> Opting for a career change is one way that people can remain in the labour market if they leave their original job. This is the approach that will be adopted by the Returnerships initiative which the Government has announced to help older people re-enter work by retraining for a new occupation (for more information, see the *Plans for the future* section earlier in this Report).<sup>153</sup> However, sectors such as construction and healthcare encompass many highly skilled professions. Older workers in sectors such as these have a vast amount of experience, knowledge and expertise which are lost from the sector when they leave the industry. Peter Murphy from Wise Age suggested that instead of moving to a new career, older workers could take on mentoring roles to support and train new employees:

Older workers could be trained to do training and mentoring and support for younger people. They have all that experience and knowledge and so on; why waste it? They could be passing it on to the next generation.<sup>154</sup>

102. In February and March 2023, as part of the evidence gathering process for this inquiry we visited the US—spending a five-day period exploring various employment support schemes. The purpose of our visit was to research successful employment support programmes which had shown strong results in highly deprived areas struggling with pervasive worklessness. The intention was to identify innovative approaches to employment support which could be implemented in the UK.

103. We met with employment support providers from Rhode Island to discuss the development of industry-led, demand-driven employment schemes. They introduced the idea of providing older workers with the opportunity to train as an industry mentor for new workers. They recommended a programme that specifically targeted industries that were seeing higher rates of workers leaving the sector before retirement age due to the physical or emotional demands of the job. They explained that this programme would aim to retain older workers and their expertise whilst providing training opportunities for young people in sectors with a workforce demand.

104. **There is inadequate access to occupational health services, especially for those working for small businesses. The rise in the number of people who are economically inactive due to long-term health conditions and high rates of economic inactivity among disabled people suggests more needs to be done to support health at work. We support the initiatives introduced in the Spring Budget around occupational health. However, DWP needs to outline a more detailed timeline about when these initiatives will take place. DWP should implement the research recommendations following the expansion of the SME subsidy pilot. We urge the Government to release such findings before the 2022–23 Session is prorogued.**

105. **DWP should also use the SME subsidy pilot to conduct research on employee attitudes to occupational health and barriers to take-up. This should be done with a**

152 [Q162](#)

153 HM Treasury, ‘[Spring Budget 2023](#)’ (15 March 2023), p 102

154 [Q163](#)

*view to establishing a requirement for employees to participate in occupational health services following an extended health-related absence from work to support their return to the workplace.*

106. Creating opportunities for older workers to remain active in the labour market for longer is important for reducing economic inactivity. The Government's Returnerships initiative looks to support older workers to change career but does not attempt to reduce the loss of industry experience and expertise that this will entail. *DWP should develop a mentoring initiative that provides opportunities for older workers to take on roles as industry mentors to train and support new workers. This is particularly relevant for sectors such as construction and healthcare which see high levels of work-related ill-health or burnout.*

### **Financial resilience and early retirement**

107. Access to jobs with good working conditions and improved employer attitudes to older workers would allow many economically inactive over 50s to return to work. However, for those who believe their financial security is such that they no longer need to work, increased access to flexible, age-inclusive employment will not be enough for them to reengage with the labour market. Those who have left work since the pandemic and have not returned were less likely to have a personal loan, car loan, credit card debt or bank overdraft, and more likely to own their home outright, compared with those who have remained active or returned to the labour market.<sup>155</sup>

108. Some of those who have left the workforce early will later find they are unable to continue supporting themselves; a prospect that the current cost of living crisis is likely to exacerbate.<sup>156</sup> The Centre for Ageing Better told us there was a "consistent body of research that suggests that people of all ages [overestimate] their financial resilience and how much they need to support themselves through later life." It also highlighted the significance that early retirement can have on pension savings:

A median earner who loses their job at age 55, and, as a result, misses out on over a decade of workplace pension saving could have private pension savings of around 34% less, £32,812 compared to £50,393. Supporting people to stay in work to save for a longer retirement must be a priority for DWP if we are to avoid increases in pensioner poverty in the future.<sup>157</sup>

109. In September 2022, we published our Report, *Protecting pension savers—five years on from the pension freedoms: Saving for later life*, which discussed the adequacy of people's retirement savings provision and concluded that, "many newly auto-enrolled people make minimum contributions, not realising that this will not be enough to give them an adequate living standard in retirement." We concluded people in generation X and older (people born before 1965) without access to Defined Benefit Pension savings will have had limited time to build up pension savings through auto-enrolment and are therefore at risk of not hitting their retirement adequacy targets.<sup>158</sup>

155 Office for National Statistics, '[Reasons for workers aged over 50 years leaving employment since the start of the coronavirus pandemic: wave 2](#)' (27 September 2022)

156 [Q153](#)

157 Centre for Ageing Better ([JES0022](#))

158 Work and Pensions Committee, '[Protecting pension savings: five years on from the pension freedoms: Saving for Later Life](#)' (21 September 2022), pp 54–55



110. The Financial Conduct Authority report, *Retirement income market data 2020/21*, showed that most people accessing defined contribution pension pots had small amounts saved which they cashed out entirely; 65% were worth less than £30,000 and 87% worth less than £10,000 were fully drawn down.<sup>159</sup> Whilst the people accessing these pensions may have had other sources of income (such as earnings, or access to a defined benefit pension), very few of these pensions could provide a sustainable retirement income by themselves. The Trades Union Congress emphasised the risk this may pose for people's future of financial independence:

This combination of an increase in unplanned retirements due to Covid-19 and a large number of people cashing out small pension pots suggests an increased risk that people will exhaust their retirement savings. This would force more older people to rely on working age benefits or pension credit.<sup>160</sup>

111. Caroline Siarkiewicz from the Money and Pensions Service told us during our inquiry into Saving for later life that the current data was insufficient to understand the reasons that small pension pots have been cashed in or whether this is something to worry about. She told us, "We absolutely need to collect and scrutinise more data and review that issue. However, we have to be careful when drawing any conclusions just yet."<sup>161</sup>

112. Gender inequality in earnings—known as the gender pay gap—affects financial insecurity in older age.<sup>162</sup> About a quarter of women over 50 are not eligible for auto-enrolment into workplace pensions.<sup>163</sup>

113. DWP has responded to the need for greater access to support and information around saving. In our Report, *Accessing Pension Savings*, we recommended that DWP, supported by the Money and Pensions Service undertake research to develop the most effective format and delivery route for mid-life MOTs and maximise their take-up. In response, the Government said it was working on this. It also referred to the Chancellor's announcement of a package of support to:

ensure older workers will receive better information and guidance on later life planning, helping them make informed choices and supporting them to plan their career and remain in work. Measures will include trialling Midlife MOT activity in both Jobcentres and the private sector.<sup>164</sup>

114. The Mid-Life MOT is a free online support tool to encourage people in their 40s, 50s and 60s to do more active planning in the key areas of work, wellbeing and money. Pension dashboards are being developed to enable people to view their pension income securely. The Government has also introduced regulations to make annual benefit statements for auto-enrolment schemes simpler and easier to understand. In September 2022, our Report, *Protecting pension savers—five years on from the pension freedoms: Saving for later life*, discussed the adequacy of people's retirement savings provision. We acknowledged

159 Financial Conduct Authority, '[Retirement income market data 2020/21](#)' (09 December 2021)

160 Trades Union Congress ([JES0030](#))

161 Oral evidence taken on 8 June 2022, [HC \(2022–23\) 126](#), Q151 [Caroline Siarkiewicz]

162 Work and Pensions Committee, '[Protecting pension savings: five years on from the pension freedoms: Saving for Later Life](#)' (21 September 2022), p 38; House of Commons Library, '[The gender pay gap](#)' (01 December 2022)

163 [Q153](#)

164 Work and Pensions Committee, '[Protecting pension savers—five years on from the pension freedoms: Accessing pension savings: Government and the Financial Conduct Authority Responses to the Committee's Fifth Report](#)' (21 September 2022), p 16



the work that was being done to improve engagement and support savers to make good decisions, and recommended that, “DWP, MaPS and the FCA should continue to explore ways that savers can be supported to take control of their finances through information, education and support from pension schemes and employers.”<sup>165</sup> The Government responded to this recommendation saying it would “continue to help people become more informed savers” and that the work already being done to signpost savers to pension guidance and provide tools to support the control of finances “will be strengthened in future, by pensions dashboards and the mid-life MOT.” The response also stated that Government “will continue to explore further ways government, pension schemes, and employers can support savers to take control of their finances.”<sup>166</sup>

115. On 5 July 2023, DWP launched a new Midlife MOT website with the ambition of helping older workers with “financial planning, health guidance, and to assess what their skills mean for their careers and futures.” The website signposts users to key organisations including the NHS, Mind, MoneyHelper, Citizens Advice and DWP’s find a job portal. The website also includes a financial tool developed by MoneyHelper which aims to help people understand their financial position and how to improve it for the future.<sup>167</sup>

116. **Some over 50s who stopped working after the pandemic may not have the financial security they need to support themselves for the rest of their lives. We welcome the new Midlife MOT website launched by DWP on 5 July 2023 and its purpose to “help older workers with financial planning”. In line with our recommendations in the Accessing pension savings Report, DWP should work to ensure maximum take-up of the scheme and monitor its accessibility and effectiveness. DWP should confirm that it is still committed to offering the mid-life MOT in person, as well as digitally.**

### Access to DWP services and eligibility for support

117. Overlaying the entire issue of economic inactivity, and affecting all demographics concerned, is the matter of eligibility. Whilst DWP offers a range of support for those who are claiming benefits and in contact with Jobcentre Plus, there is very little support available to individuals who are economically inactive and not in receipt of benefits.<sup>168</sup> Jobcentre Plus is the principal route through which people can access employment support, either directly from a Work Coach or through a referral by a Work Coach to a specific DWP employment support scheme. However, people can only make a Jobcentre Plus appointment with a Work Coach if they are a benefit claimant.<sup>169</sup> The same is true for Youth Hubs: young people aged 16-to-24 can only seek support from a Youth Hub if they are claiming Universal Credit. Further, full support is only available to claimants in the Intensive Work Search regime—encompassing people who are currently able to work—with claimants in other labour market regimes not eligible to be referred for the full package of support.<sup>170</sup>

165 Work and Pensions Committee, ‘[Protecting pension savings: five years on from the pension freedoms: Saving for Later Life](#)’ (21 September 2022), p 51

166 Work and Pensions Committee, ‘[Protecting pension savers—five years on from the pension freedoms: Saving for later life: Government, Financial Conduct Authority and Money and Pensions Service Responses to the Committee’s Third Report of Session 2022–23](#)’ (23 January 2023)

167 gov.uk, ‘[DWP launches new Midlife MOT website](#)’ (05 July 2023)

168 The Salvation Army (JES0034)

169 [Q192](#)

170 parliament.uk, ‘[DWP Youth Offer](#)’

118. In order to tackle economic inactivity, support needs to be accessible to those who are economically inactive and therefore to those who are not claiming benefits. Richard Clifton from the Shaw Trust told us that “a number of these people who are economically inactive may not be at this point claiming mainstream benefits that allow them to access the programmes”<sup>171</sup> and that “if we want to engage with this customer group, we do need to look at the eligibility criteria and not have it linked to benefits.”<sup>172</sup> This would help get more people into work, help fill vacancies and support local and national economies.<sup>173</sup> Councillor Toby Savage from the Local Government Association, spoke to us about Jobcentre Plus, highlighting how restrictive eligibility criteria prevent DWP from tackling the problem of economic inactivity:

There is definitely an opportunity to broaden its remit out to being a public employment service so that we are able to help people across the spectrum, not simply those who are claiming benefits but those that we talked about earlier who are economically inactive. In a lot of cases rules are very tightly drawn and eligibility criteria are very tightly set, and more flexibility would allow us to be more responsive to being able to tackle a number of the challenges that exist.<sup>174</sup>

119. Since the pandemic, at a time when rates of economic inactivity have reached record levels, two of the headline DWP employment support schemes, Kickstart and Restart (see *Kickstart* and *Restart* sections in Chapter 3)—publicised as a key part of the Government’s Plan for Jobs, aiming to encourage the UK’s economic recovery—have both recorded substantial programme underspends.<sup>175</sup> Although eligibility criteria for Restart was expanded from 12–18 months to 9 months spent consecutively on the Intensive Work Search Regime, both programmes maintained strict eligibility criteria and neither scheme was made available to people who were economically inactive.<sup>176</sup> Had these programmes been open to providing support for people not claiming benefits this would have made more effective use of their budgets. Career Connect told us:

The Kickstart scheme was only accessible for those on UC, which meant that in June 2020 (when the scheme went live) according to ONS figures there were 59,000 16/17 year olds who were NEET nationally, with only 11,204 unemployed and claiming Universal Credit in this age group [ ... ]. This meant only 19% of 16/17 year olds who were NEET were eligible for Kickstart, and as a result 48,000 young people were excluded from the scheme. Future support should assure that UC is not the key eligibility criteria as this will exclude over 80% [of 16-to-17-year-olds who are NEET].<sup>177</sup>

The Local Government Association also criticised the DWP for preventing NEET young people from accessing the Kickstart scheme:

We believe Kickstart was a missed opportunity to support 16–17-year-old NEETs and 18–24 NEETs who are not in receipt of benefits, who could

171 [Q218](#)

172 [Q230](#)

173 The Local Government Association ([JES0052](#))

174 [Q192](#)

175 National Audit Office, ‘[The Restart scheme for long-term unemployed people](#)’ (02 December 2022), p 4; House of Commons Library, ‘[Coronavirus: Getting people back into work](#)’ (30 June 2022), p 8

176 PCS ([JES0045](#)); Career Connect ([JES0051](#))

177 Career Connect ([JES0051](#))

have benefited from a period of experience with a local employer. The LGA repeatedly urged the DWP to extend the eligibility criteria for accessing the scheme to all young people who had been NEET for six months or more and to allow councils skills and employment services, and their local partners, to refer young people into the scheme. This would have enabled more young people to benefit from employment opportunities at a time when the pandemic was significantly limiting young people's job prospects, putting them at heightened risk of becoming long-term unemployed and therefore becoming reliant on DWP support in later years.<sup>178</sup>

120. Additionally, many young disabled people were not eligible for employment support through Kickstart as people already on the Work and Health Programme were unable to access the scheme.<sup>179</sup> The Prince's Trust said that youth employment programmes should be available to all young people:

The pandemic had a negative impact on many groups, but many of the individuals affected will have been ineligible for Kickstart. Many disabled young people, for example, will not have been able to benefit from this support. The government should ensure that when targeting future employment schemes, the eligibility criteria include the full range of young people who could benefit from support.<sup>180</sup>

121. As we explained earlier in this Report, one of the demographics which has seen the most significant increases in rates of economic inactivity since the pandemic is people over the age of 50. The majority of older people who are not in work identify as being retired, including those who say they want to work. Many people in this group rely on personal savings or financial assistance from family instead of claiming employment benefits. As a result, they are unlikely to engage with employment support services. The effectiveness and impact of Jobcentre Plus is therefore significantly curtailed since it fails to reach a substantial portion of this age group who would otherwise benefit from its services.<sup>181</sup> Luke Price from the Centre for Ageing Better further highlighted how older people's perception of employment support services can reinforce this estrangement:

We know from our research that unless you think about actively marketing these services to people over 50, particularly economically inactive people over 50, they will not engage because they will not see it as being for them. They see these services as for younger workers or for other people.

122. Although DWP could develop targeted support schemes aimed at helping people who are out of work but not involved with the benefit system, extending the eligibility criteria for existing programmes and services would provide a more immediate and cost effective solution. Reed in Partnership proposed that this would be the best way to support people out of economic inactivity:

178 The Local Government Association ([JES0052](#))

179 [Q366](#)

180 The Prince's Trust ([JES0024](#))

181 Centre for Ageing Better ([JES0022](#))

The fastest and most effective way of doing this would be to build on the expertise and infrastructure already in place by extending the eligibility of [existing] schemes, rather than spending additional time and money on designing a new programme.<sup>182</sup>

123. The National Audit Office recommended in its report on the Restart scheme that the Department “should learn from the experience of Restart to ensure it is better prepared and able to scale up and down capacity as required.”<sup>183</sup> Peter Schofield CB, Permanent Secretary and Principal Accounting Officer, for DWP told us in January 2023 that funding for schemes like Restart are “ringfenced”. He explained that “if there is an underspend, [ ... ] by and large, the money goes back to the Treasury.” However, given the previous adjustment to Restart eligibility criteria, it appears that this money could be used if kept within the scheme and used to help additional people by extending eligibility to those not on benefits. Luke Price from the Centre for Ageing Better told us:

We need to start thinking about widening eligibility to services. There was an underspend in the Plan for Jobs, and one thing that could be done in the short term is to use some of that money in the Restart scheme to widen eligibility

Councillor Toby Savage from the Local Government Association further highlighted the “inflexibility” of programmes such as Restart and recommended that “with Restart and other programmes there is an opportunity to pivot, to be able to provide support for those who do not sit within the very strict eligibility criteria that underpin these schemes.”<sup>184</sup>

124. **The UK labour market is facing high rates of economic inactivity, driven up as a result of the pandemic and the ending of freedom of movement. Although rates have now somewhat recovered, there are many more people outside the labour market than prior to the Covid-19 pandemic. Whilst DWP offers a range of support for unemployed people who are in receipt of benefits there is almost no support available to individuals who are economically inactive and outside the benefit system. We are concerned that a lot of people who are not in work but are capable of working, are not being supported to re-enter the labour market. DWP should expand the eligibility requirements of future support programmes that target groups with high levels of economic inactivity to include people who are not in receipt of benefits.**

125. **The Restart scheme has seen an underspend against its budget since it was launched in 2021. Despite this, strict eligibility criteria mean that many people who would benefit from the support of the programme are not able to access help. Where there are programme underspends or lower than expected uptake of schemes, as seen with Kickstart and Restart, the Department should allow people who are economically inactive and meet the programme’s other criteria to access support. These programmes need to be well publicised in places that have regular contact with the key demographics. This might include advertising in GP surgeries, youth centres and housing associations to ensure economically inactive people are made aware of the available help.**

182 Reed in Partnership ([JES0039](#))

183 National Audit Office, ‘[The Restart scheme for long-term unemployed people](#)’ (02 December 2022), p 12

184 [Q205](#)

### 3 Employment support services and getting people into work

126. In this Chapter we examine the effectiveness of specific interventions by the Government, namely, Kickstart, Restart and Access to Work, as well as specific support for self-employed people. We finish this Chapter by looking at the move from the European Social Fund to the UK Shared Prosperity Fund and what the implications of the transition might be for schemes funded by these funds.

#### Kickstart

127. DWP launched the Kickstart scheme as part of the Government's Plan for Jobs in September 2020 in response to an economic forecast that predicted a significant rise in youth unemployment as a result of the pandemic. The scheme was established with the ambition "to create hundreds of thousands of high quality 6-month work placements aimed at those aged 16–24 who are on Universal Credit and are deemed to be at risk of long-term unemployment."<sup>185</sup> Kickstart funded employers to create new jobs for young people, each providing a minimum of 25 hours work per week, paid at the relevant minimum wage. Kickstart had a budget of up to £1.9 billion and aimed to support 250,000 participants to start jobs by December 2021, when the scheme was originally scheduled to close. DWP set a target for young people on the scheme "to spend an additional 52 days or more off [benefits] and 80 or more days in work, compared to those not taking part in the scheme."<sup>186</sup> The scheme was ultimately extended so that new placements could start up to the end of March 2022, with the scheme closing in September 2022.<sup>187</sup>

128. Evidence submitted to this inquiry suggested that many of the participants and employers who were involved in the scheme found the scheme to be effective at improving the career prospects of those involved and successfully supporting many people into work. Barry Fletcher from Career Connect told us, "If I look at the covid pandemic and coming out of it, Kickstart was very positive." Billy Harding from Centrepoint agreed, saying that "the ambition and vision behind schemes like Kickstart were brilliant and, for a good number of the young people we worked with, [ ... ] worked really well."<sup>188</sup> Sport and Activity Professionals also shared the positive impacts they had seen from Kickstart:

We have found the Kickstart scheme to be beneficial to employers, it has reduced unemployment and contributed to society and economic growth.

On an individual level, the scheme has assisted young people to gain work they love, and increased their confidence, mental wellbeing, and life chances.<sup>189</sup>

129. Some evidence suggested that although the scheme worked very well for some people, some Kickstart employers were not able to provide adequate support. Dr Katy Jones told us:

185 gov.uk, '[Landmark Kickstart scheme opens](#)' (02 September 2020)

186 Department for Work and Pensions ([JES0066](#))

187 National Audit Office, '[Employment support: The Kickstart Scheme](#)' (26 November 2021), p 18

188 [Qq118–119](#)

189 Sport and Activity Professionals ([JES0007](#))



In terms of helping people who were furthest away from the labour market, there were concerns that there was not necessarily the support for employers to manage people who perhaps had more complex needs in work or health conditions.<sup>190</sup>

In written evidence, Miss Macaroon, a community interest company which helps young people with complex needs get into work, said that the “Kickstart scheme is an excellent mechanism to support young people in a unique situation created by the pandemic’s pressures on the economy and jobs market” but that “the support provided by some employers can be inadequate for the needs of the young person”.<sup>191</sup>

130. Research conducted by a group of former Kickstart employees and supported by the University of York drew on qualitative and quantitative data gathered from 50 Kickstart employees supported by the Kickstart Gateway organisation, Miss Macaroon. Miss Macaroon provided additional support to that required by the scheme to ensure access for people with additional barriers to employment. Of the 50 participants involved in the study, 41% started with three barriers to employment and 35% were out of work for more than two years before joining the scheme. An impact analysis of the Kickstart 50 participants showed that 97% increased their confidence and 93% moved into further employment or further education.<sup>192</sup>

131. There have also been a number of calls to introduce Kickstart-type schemes again in the future for different groups. David Hale from the Federation of Small Businesses suggested that Kickstart could be used as a future programme model, “particularly with people who have been out of the labour market for a long time with health conditions, we are keen to see a version of the Kickstart scheme come back.” The Youth Futures Foundation recommended that the “Government should launch a ‘care leavers employer support package’, including relaunching the Kickstart scheme for care leavers.”<sup>193</sup>

132. Other than two assertions, that “the scheme had seen over 163,000 young people start jobs”<sup>194</sup> and that “the latest data shows that 7 out of 10 young people had earnings four months after their Kickstart job ended”,<sup>195</sup> DWP has not published any official statistics or analysis of the Kickstart scheme or provided data on employment outcomes for participants. In the Department’s written submission to the inquiry, DWP said that it was “aiming to publish the Kickstart process evaluation in Spring 2023.”<sup>196</sup> However, in the oral evidence session with us on the 3 May 2023, when asked if the process evaluation would be published before the end of May, Guy Opperman MP, Minister for Employment said “spring is a very long thing in parliamentary terms and can go, as we all know, almost into July. The answer is that we are going to publish soon” and concluded that the evaluation “is going to be published before the end of term.”<sup>197</sup> At the time of this Report, the Kickstart evaluation is yet to be published. DWP has not confirmed whether or not this evaluation will report on the original DWP target that participants would spend at least an additional 52 days off benefits and 80 days in work compared with non-

190 [Q294](#)

191 Miss Macaroon C.I.C. Ltd ([JES0003](#))

192 [Q262](#); Miss Macaroon C.I.C. Ltd ([JES0003](#))

193 Youth Futures Foundation ([JES0083](#))

194 Department for Work and Pensions ([JES0066](#))

195 gov.uk, ‘[7 in 10 young people in work 4 months after leaving government’s Kickstart Scheme](#)’ (14 July 2022)

196 Department for Work and Pensions ([JES0066](#))

197 [Q406](#)



participants.<sup>198</sup> Anecdotes help to illustrate the ways in which participants have benefited from the programme and identify elements of success and areas for improvement. Until DWP publish their statistical evaluation to support this, however, it is difficult to conclude whether, or to what extent, Kickstart should be used as a model for future schemes.<sup>199</sup>

133. From what we do know about the performance of the programme from the DWP statement that over 163,000 young people started a job through Kickstart, we can see that the scheme has fallen some way short of the initial target of 250,000 job starts for participants. This underachievement was accompanied by an estimated underspend of at least £665 million.<sup>200</sup> DWP explained the lower than expected take up as being the result of unanticipated labour market developments following the pandemic:

This was affected by two key factors: unemployment peaked at only 5.2% and the Coronavirus Job Retention Scheme (CJRS) was extended through to September 2021. Furthermore, as the economy reopened, we saw record vacancies in the economy, leading to lower-than-expected demand.<sup>201</sup>

However, as evidenced earlier in this Report, although levels of unemployment for 16-to-24-year-olds were lower than anticipated, levels of economic inactivity for young people were exceptionally high. It seems that this scheme could have achieved more for people out of work had DWP been responsive to changes in the labour market and adjusted the eligibility criteria to reflect these movements—we have made recommendations in this area in Chapter 2.

134. Another concern with the Kickstart scheme was that young care leavers and young homeless people in supported accommodation were unable to access Kickstart due to the fact that the minimum work requirement of 25 hours per week exceeded the maximum of 16 hours per week that individuals can work while living in the supported accommodation.<sup>202</sup> For information on another challenge for young people in supported accommodation, see Chapter 2.

**135. We have heard numerous positive reports about Kickstart, however, without a comprehensive analysis of Kickstart or any publication of data on employment outcome, it is not possible to say with any assurance how successful the scheme has been or what value it delivered for participants. We look forward to the statistical release which DWP has said it will publish “before the end of term”. DWP should apply the lessons of its forthcoming evaluation in considering possible future schemes along the lines of Kickstart.**

## Restart

136. In July 2020, DWP announced its plans to establish the Restart scheme as part of the Government’s Plan for Jobs to help people who had fallen into unemployment as a result of the pandemic. The scheme was launched in June 2021 as a large-scale provision for long-term unemployed people with funding of £2.9 billion and running for three years.

198 [Correspondence with the Minister for Employment relating to Plan for Jobs and employment support](#)

199 [Qq118–119](#)

200 House of Commons Library, ‘[Coronavirus: Getting people back into work](#)’ (30 June 2022), p 8

201 Department for Work and Pensions ([JES0066](#))

202 Miss Macaroon C.I.C. Ltd ([JES0003](#))

DWP said Restart would “provide intensive and tailored support to more than one million unemployed people and help them find work”, offering up to 12 months of support to each participant.<sup>203</sup>

137. Restart has been operational now for nearly two years of its expected three year duration. However, it has been very difficult to analyse its impact or evaluate its effectiveness. For over a year, DWP did not release any performance statistics for the scheme.<sup>204</sup> We heard from providers of Restart that DWP produced statistics on a regular basis for confidential use by providers. Rhodri Thomas from Reed in Partnership—who act as a provider to DWP on Restart—told us, “We see monthly performance reports in quite significant detail in terms of cohort performance as well.” However, this monthly performance data was not made public. The lack of performance data for the Restart scheme made it impossible to assess.<sup>205</sup>

138. A lack of publicly available data is also detrimental to the Department. There are a number of bodies who would, if provided with adequate information, carry out performance analysis on the Restart scheme and provide feedback on ways to improve the programme. The Government Outcomes Lab emphasised the value that could be gained by the Department by publishing more data:

There is an active and engaged community of practitioners and academics who reflect on best practice within the commissioning of employment support, from across the private and social sectors, academia, and within DWP and local government. This wider research and practice community have valuable insights that could help to maximise the effectiveness of the Department’s employment support programmes. However, their ability to offer reflections is severely limited by the lack of publicly available research and performance data released by the Department in recent years. For example, to the best of our knowledge, there has been no performance data released to date on the Restart programme.<sup>206</sup>

139. In a positive move by the Department, DWP has responded to our request to publish Restart statistics regularly. In correspondence, Guy Opperman MP, Minister for Employment, told us:

I am pleased to inform the Committee that the Department will begin publishing 6 monthly routine Restart Scheme statistics, starting on 8 June 2023 as announced on 5 May 2023. These will include demographics and volumes of referrals, starts, first earnings, job outcomes and performance by contract area, month, and cohort.

**140. We welcome that the Department has already responded positively to our request to publish Restart statistics regularly. The previous lack of transparency around how the programme was performing and its employment outcomes for participants had prevented valuable external assessment of the scheme and limited DWP’s accountability for the programme outcomes. The move to publish regular statistics for Restart is a good step towards increased transparency.**

203 gov.uk, ‘Restart Scheme’ (26 April 2022)

204 gov.uk, ‘Restart Scheme statistics’ (08 June 2023)

205 Qq227–228

206 Government Outcomes Lab, Blavatnik School of Government, University of Oxford (JES0057)

## Access to Work

141. Access to Work is an employment support programme launched nearly three decades ago by DWP to assist people with a disability or health condition by providing support to overcome work related obstacles and difficulties. Access to Work is a grant scheme to which eligible individuals can apply for financial assistance to pay for practical support with work, including: special aids or equipment needed to do their job; adaptations to equipment or building to make them accessible; additional travel costs; and, a support worker in the workplace. Applications can also be made for mental health support at work and to pay for communication support at job interviews.<sup>207</sup>

142. Access to Work has received significant praise since its inception for the invaluable support that it offers to people who are disabled or have a health condition. The assistance it provides enables people to stay in work and perform to the best of their abilities by providing funds to make their working environment safe and accessible. However, there are some notable problems with the programme that prevent it from being as impactful as it should be.<sup>208</sup>

143. Firstly, the Access to Work system is highly bureaucratic in terms of the evidence and administration of paperwork required to apply for, renew or claim back costs.<sup>209</sup> The system often does not accept electronic paperwork or e-signatures, meaning that applications and claims must be sent in by hand.<sup>210</sup> With the availability of modern technology it is outdated, impractical and inefficient to have a system that does not allow documents to be submitted online. Considering the community that Access to Work supports, it is even more vital that unnecessary, practical barriers such as this are eliminated to make it as easy as possible to access support.<sup>211</sup>

144. Another concern with the scheme is that, despite its longevity, it is not sufficiently well-known, especially by employers. A survey by the Centre for Social Justice found that just 25% of employers knew about the scheme.<sup>212</sup> James Taylor from Scope spoke to us about the lack of awareness of the programme:

Employers do not know about it. They do not know that they can get money back from adjustments and kit in the workplace, and there are not that many claimants who use it. There are far more disabled people who could be benefiting from it. Access to Work needs to be better promoted among employers, job seekers and people in the workplace.<sup>213</sup>

A recent survey by Unison in June 2020 on disabled workers' experience during the pandemic similarly found that there was a take-up gap:

- Only 5% of disabled workers had help from Access to Work to work from home; and

207 [gov.uk, 'Access to Work: get support if you have a disability or health condition'](https://www.gov.uk/guidance/access-to-work-get-support-if-you-have-a-disability-or-health-condition); [gov.uk, 'Access to Work holistic assessments provider guidance for contracts effective on or before 4 June 2023'](https://www.gov.uk/guidance/access-to-work-holistic-assessments-provider-guidance-for-contracts-effective-on-or-before-4-june-2023) (5 June 2023)

208 [Q139](#)

209 Association of Disabled Professionals ([JES0062](#))

210 Wired Differently ([JES0067](#))

211 [Q139](#)

212 The Centre for Social Justice, '[Rethinking Disability at Work](#)' (April 2017), p 9

213 [Q139](#)

- 41% did not know about Access to Work and 23% did not think Access to Work could help with working from home.<sup>214</sup>

James Taylor from Scope affirmed that if Access to Work were more widely promoted and the assistance and support accessible through the scheme better understood, far more people could benefit from the scheme and vastly improve the quality of their working lives.<sup>215</sup>

145. Problems have also been reported around the inflexibility of rules,<sup>216</sup> which can sometimes stand in the way of people accessing the best support; timeliness of support;<sup>217</sup> and lack of available assistance for jobseekers.<sup>218</sup>

146. In December 2021, DWP announced the new Access to Work Adjustment Passport, introduced to ease the transition from university into employment for disabled students by reducing the need for repeated health assessments when starting a new job. Pilot programmes were undertaken at the University of Wolverhampton and Manchester Metropolitan University with the Health Adjustment Passport offered to students already in receipt of extra support. The Passport's purpose is to capture relevant information about an individual's condition and any associated adjustments they receive to be passed onto employers upon entering employment.<sup>219</sup> If Health Adjustment Passports were made more widely available, they could significantly improve the process of transitioning into work and between jobs for thousands of people. The MS Society said that "the Government should continue to extend the new Adjustments Passport to everyone who receives support from Access to Work"<sup>220</sup> and the Federation of Small Businesses said that "DWP should roll out Access to Work (AtW) passports immediately following the pilots to aid all young people and other groups [ ... ] transitioning from education to employment".<sup>221</sup>

147. In our *Disability employment gap* Report, published in 2021, we recommended that the Department should:

- launch a marketing campaign targeted at employers to raise awareness of the scheme;
- carry out a "digital transformation" of the scheme; and
- extend eligibility for Access to Work Adjustment Passports to other groups of people including disabled employees.<sup>222</sup>

In the Government's Response to this Report, it explained it would focus on promoting Access to Work to underrepresented groups. It also confirmed that it was undertaking a £5 million digital transformation of the scheme in 2021 "to commence delivery of a fully digital customer service." It said that the Adjustment Passport would be piloted with

214 UNISON, '[UNISON wins Access to Work victory](#)'

215 [Q139](#)

216 [Q139](#)

217 Roisin Jacklin (Policy Officer at The Royal National Institute of Blind People (RNIB)) ([JES0026](#))

218 MS Society ([JES0023](#))

219 gov.uk, '[New government 'passport' to help disabled graduates get in to employment](#)' (03 December 2021); gov.uk, '[Health Adjustment Passport](#)' (12 June 2023)

220 MS Society ([JES0023](#))

221 Federation of Small Businesses ([JES0019](#))

222 Work and Pensions Committee, '[Disability employment gap](#)' (22 July 2021), pp 41–42

disabled people from November 2021 and, if successful, rolled out to all Access to Work customers.<sup>223</sup> Since this Report was published, however, all three of these recommendations still require attention from Government.

148. **Access to Work is seen as being a very successful programme with positive impacts for claimants. However, employer awareness of the scheme is limited and there are many more people with a disability or health condition who could benefit from the support. *In line with our recommendations in the Disability employment gap Report, DWP should launch a marketing campaign targeted at employers and disabled people to raise awareness of the scheme.***

149. ***DWP should roll out the Work Adjustment Passport for everyone who receives support from Access to Work to support people transitioning into work or between jobs. This would make it easier to access support and obtain adjustments quickly.***

150. **The Access to Work system is outdated and often unable to accept online document submission or e-signatures. A system that requires applications and claims must be sent in by hand acts as a practical barrier to support. *DWP needs to update the Access to Work document submission process so that all documentation can be submitted online. It should do this by the end of 2023.***

## Disability Employment Advisers

151. Within the Jobcentre Plus network, DWP have a number of Disability Employment Advisers (DEAs) whose primary role is to provide up-skilling and support to Work Coaches. They also act as a point of contact to engage external bodies such as the NHS and disability charities. DEAs can conduct a small number of claimant support interventions but will not have a caseload of claimants.<sup>224</sup> We made the following recommendation in our 2021 Disability employment gap Report:

DWP should keep the number of DEAs under review and commit to recruiting additional DEAs if demand rises. It should also ensure that any training that Jobcentre Plus staff receive on supporting disabled people is not just generic but covers the needs of specific impairment groups, including people with invisible disabilities.<sup>225</sup>

The Government responded to this recommendation saying that the support of DEAs meant that Work Coaches and Jobcentres were equipped to provide support to disabled claimants:

Jobcentre staff undergo comprehensive ongoing learning which continues at point of need throughout their role. This provides them with the knowledge and skills training to enable them to treat each claimant as an individual and to discuss with each claimant their health condition, the impacts of their condition and appropriate support.<sup>226</sup>

223 Work and Pensions Committee, '[Disability employment gap: Government Response to the Committee's Second Report of Session 2021–22](#)' (17 November 2021), pp 14–16

224 whatdotheyknow.com, '[Disability Employment Adviser \(DEA\) – Jobcentre Operating Model \(JOM\)](#)'

225 Work and Pensions Committee, '[Disability employment gap](#)' (22 July 2021), p 30

226 Work and Pensions Committee, '[Disability employment gap: Government Response to the Committee's Second Report of Session 2021–22](#)' (17 November 2021), pp 11



However, Scope have told us that there is still a “lack of specialist advice in Jobcentres” for disabled people,<sup>227</sup> Sense said that DWP had confirmed to them that “work coaches do not go through specific training on supporting disabled jobseekers”,<sup>228</sup> and the MS Society have called for DWP to “increase the number of Disability Employment Advisors (DEAs) to make sure all people with MS can access their support”.<sup>229</sup>

**152. In line with our recommendation in our Disability employment gap Report, we recommend that DWP should review the number of DEAs and the support that Jobcentre Plus staff receive on supporting disabled people. DWP need to ensure that there is adequate access to specialist advice for disabled people in Jobcentres which covers specific needs of different groups.**

## Self-employment

153. For many people, entering self-employment is an important route out of worklessness that permits people to work under conditions that are incomparable to being an employee. It provides flexibility, independence and autonomy. For some, including the most disadvantaged people entering the labour market, these are crucial to maintaining a successful working life but are often hard to find as an employee.<sup>230</sup>

154. For many years, DWP’s main support programme for self-employed people was the New Enterprise Allowance (NEA) which was introduced in 2011. The scheme was designed to support people to move into self-employment and start their own business. NEA provided mentoring support and financial assistance in the form of the NEA weekly allowance of £65 for the first 13 weeks and £33 for the following 13 weeks. Participants also had access to the BEIS Start-Up Loans scheme if additional financial support was required on starting up the business. In January 2022, the New Enterprise Allowance closed to new applicants and DWP has not announced a replacement for the scheme.<sup>231</sup>

155. The scheme was reported to be successful when DWP released statistics on the performance of the programme in 2022. The New Enterprise Allowance Statistics showed that between April 2011 and December 2021, there had been 299,000 starts on the NEA programme by 276,000 individuals, and 161,000 businesses had been set up by 157,000 individuals. This means that 57% of individuals starting on the scheme successfully progressed to setting up a business. Overall, since the start of the programme, the average proportion of NEA participants who were off benefits for 26 weeks continuously after they started their business, was around 82%.<sup>232</sup> The number of people signing up to the NEA was significantly impacted by the pandemic, but levels were higher again post-pandemic.<sup>233</sup> Many organisations submitted evidence showing their support for the scheme. The Shaw Trust claimed that the scheme had been “hugely successful”<sup>234</sup> and the Employment Related Services Association said that the “NEA was successful and much needed.”<sup>235</sup>

227 Scope ([JES0050](#))

228 Sense ([JES0054](#))

229 MS Society ([JES0023](#))

230 Momentic Limited ([JES0015](#))

231 gov.uk, ‘[New Enterprise Allowance: start your own business](#)’ (01 January 2022)

232 gov.uk, ‘[New Enterprise Allowance statistics: April 2011 to December 2021](#)’ (15 June 2022)

233 National Enterprise Network ([JES0033](#))

234 Shaw Trust ([JES0012](#))

235 Employment Related Services Association (ERSA) ([JES0060](#))

156. In addition to its general success at supporting benefit claimants into self-employment, the NEA was particularly effective at helping older people and people with a disability out of worklessness.<sup>236</sup> Of the 157,000 businesses set up through NEA, people over the age of 50 started more than 36,000 (23%) and disabled claimants started more than 33,000 (21%).<sup>237</sup> The flexibility, independence and autonomy that self-employment can provide can be particularly important to people who have a disability or long-term health condition as well as to older workers. The Greater Manchester Combined Authority told us that “almost 40% of the region’s self-employed are aged over 50”<sup>238</sup> and a 2019 study by the Association of Independent Professionals and the Self-Employed (IPSE) found that 611,000 UK disabled people are self-employed, an increase of 30% in five years, and meaning that 1 in 7 people who are self-employed in the UK are disabled.<sup>239</sup> Matt Dooley from Momentic spoke to us about how, with the right support self-employment can also benefit people who have more complex barriers to employment:

Self-employment can be a great routeway for all the most complex barrier customers, particularly as regards health and single parents. We work with a lot of former offenders. The over-50s is a growing cohort in part-time self-employment. I have worked in the sector for 15 years and have helped over 75,000 people from long-term unemployed high-barrier backgrounds to start and grow businesses. It is definitely possible but everything needs to be right. The support needs to be there. The provision needs to be there.<sup>240</sup>

157. Without the NEA there is no longer a dedicated self-employment support programme delivered as part of DWP’s employment support services. There is some support available from DWP to become self-employed, but this is very limited and varies considerably across geographical areas.<sup>241</sup> Jobcentre Plus Work Coaches can help claimants to get help from local organisations and some DWP customers can access support through mainstream programmes like Restart and WHP (for those eligible for the programme).<sup>242</sup> Matt Dooley told us that this reduction in provision has come at the same time as the UK saw a significant drop in levels of self-employment as a result of the pandemic:

The numbers of self-employed now have dropped significantly to 700,000, the lowest in 10 or 15 years. Before that, self-employment was growing rapidly. It is the first time in 14 years that there has not been a national publicly funded self-employment provision in the UK since new enterprise allowance finished in December 2021.<sup>243</sup>

158. Since the end of the pandemic these number have started to recover. Alex Till from the National Enterprise Network told us that there is now “an increase in [ ... ] people coming forward for self-employment”.<sup>244</sup> According to the Employment Related Services Association “a new self-employment programme is needed and would offer a critical

236 National Enterprise Network (JES0033)

237 gov.uk, ‘New Enterprise Allowance statistics: April 2011 to December 2021’ (15 June 2022)

238 Greater Manchester Combined Authority (JES0049)

239 The Association of Independent Professionals and the Self-Employed (IPSE), ‘Making Self-Employment Work for Disabled People: An Agenda to Make it Happen’

240 Q358

241 Shaw Trust (JES0012)

242 gov.uk, ‘Help with moving from benefits to work’; North East Enterprise Agency Ltd (NEEAL) (JES0004)

243 Q358

244 Q384

route into work for many jobseekers including those from disadvantaged groups.”<sup>245</sup> The National Enterprise Network has called for “a properly funded national 9 month enterprise programme”.

**159. With the withdrawal of the New Enterprise Allowance (NEA), there is no longer a dedicated self-employment support programme provided by DWP. Many people, including older people and disabled people, would benefit from the opportunity to start their own business as a way to engage with the labour market. DWP should evaluate the NEA and consult with external organisations who operate self-employment support schemes to design a new self-employment support programme that offers effective support and is inclusive of the needs of both disabled people and older people.**

## The UK Shared Prosperity Fund

160. The European Social Fund (ESF) is one of the European Structural and Investment (ESI) funds designed to strengthen economic and social cohesion. ESF funding is focussed on helping people who are out of work to find employment or to become more employable and can also help people at risk of unemployment. It has provided average annual funding of over £600 million to fund UK programmes which provide vital employment and skills support to individuals in some of the UK’s most disadvantaged communities. These programmes are often targeted towards people who mainstream services do not adequately support, including disabled people, economically inactive people, the long-term unemployed, and individuals facing multiple barriers to employment.<sup>246</sup> Since voting to leave the European Union in 2016 and following a transition period which ended on 31 December 2021, the UK has become ineligible for any new support from ESI funds. Funding for programmes that had been agreed before that point were able to continue.<sup>247</sup>

161. The Government first announced its replacement for the ESI funds, the UK Shared Prosperity Fund (UKSPF), in 2017 and, on 13 April 2022, the fund was launched with the publication of its full prospectus. Funding was confirmed for three financial years, 2022–23, 2023–24 and 2024–25. The UK Community Renewal Fund, launched in 2021, was intended to help bridge the gap between the end of EU funding and the start of the UKSPF. According to the UKSPF’s prospectus, funding would be allocated to local areas across the UK using formulas rather than by inviting competitive bids. The formulas largely replicate the amounts that areas received from the EU structural funds, with some needs-based adjustments within areas. After allocations are announced, local areas will have to create and submit investment plans detailing how they intend to spend the money. The Fund will focus on three priorities: communities and place; local businesses; and people and skills. The areas of responsibility covered by the Fund and the amount of money provided are broadly similar to those covered by EU structural funds, but the way in which funding is controlled and allocated is very different, particularly in the devolved administrations.

162. The ESI was made up of four principal funding streams: the European Regional Development Fund (ERDF), supporting small businesses and research and innovation; the European Social Fund (ESF), supporting employment; the European Agricultural Fund for Rural Development (EAFRD), supporting improvements in agriculture; and, the

245 Employment Related Services Association (ERSA) ([JES0060](#))

246 europa.eu, ‘[European Social Fund](#)’

247 House of Commons Library, ‘[The UK Shared Prosperity Fund](#)’ (26 April 2022), p 7

European Maritime and Fisheries Fund (EMFF), supporting improvements in fisheries. The UKSPF was designed to consist of only three funding streams: Communities and place, supporting improvements in community infrastructure and neighbourhoods; Local businesses, supporting small businesses; and People and skills, supporting employment, adult learning and numeracy, and other skills provision.<sup>248</sup>

163. The 2022 UKSPF prospectus included a funding profile for the UK Shared Prosperity Fund, showing that it would provide £0.4 billion in 2022–23, £0.7 billion in 2023–24, and would reach its final level of £1.5 billion per year in 2024–25. The prospectus commented:

Although £1.5 billion per year would be lower than the £2.0 billion per year that the UK received on average from the EU structural funds as a whole, it is higher than the roughly £1.3 billion per year that the UK received from the ERDF and ESF.<sup>249</sup>

### People and skills funding

164. Although access to new funding is no longer available, ESF funded employment and skills provision that is already established can continue until the end of 2023, with some programmes finishing earlier than this. ESF has been replaced by the “people and skills” funding stream within UKSPF and will similarly focus on financing employment and skills provision. However, while the first UKSPF payments were made to lead local authorities in 2022, funding for people and skills was initially not going to be made available until 2024–25. In consequence, a period of at least 15 months was anticipated where no funding would be available for this priority area.<sup>250</sup>

165. Throughout this inquiry we heard about the concerning impacts on the provision of employment support across the UK given a widely anticipated gap in funding. Reed in Partnership expressed concern about the impact this could have on economic inactivity given that a significant number of ESF-funded services offered high quality support to economically inactive people.<sup>251</sup> The Employment Related Services Association stressed that the funding gap could potentially lead to the closure of important support organisations:

Employment support organisations will potentially have to close, make staff redundant and most importantly, participants will miss out on support as the economic situation gets more perilous.<sup>252</sup>

166. However, in response to calls for the problem of the funding gap to be addressed—as platformed through this inquiry—the Government announced at the 2023 Spring Budget that the restriction on people and skills spending in England had been removed. This gave lead local authorities the flexibility to invest in people and skills provision from April 2023, thus closing the gap with ESF funding.<sup>253</sup>

248 House of Commons Library, ‘[The UK Shared Prosperity Fund](#)’ (26 April 2022), pp 5–14

249 House of Commons Library, ‘[The UK Shared Prosperity Fund](#)’ (26 April 2022), p 15

250 House of Commons Library, ‘[The UK Shared Prosperity Fund](#)’ (26 April 2022); National Enterprise Network ([JES0033](#))

251 Reed in Partnership ([JES0039](#))

252 Employment Related Services Association (ERSA) ([JES0060](#))

253 [Correspondence with the Minister for Employment relating to Plan for Jobs and employment support](#)

167. Despite this welcome change, there are still concerns over the level of funding available through UKSPF and the lack of ringfencing for people and skills provision, especially during the first two years when the fund is providing a lower amount.<sup>254</sup> Centrepont argued that:

The total amount of funding offered to employment support by the UKSPF will be lower. It is expected that the UKSPF will provide comparatively fewer resources than the ESF—this may be keenly felt during the first few years of the UKSPF as organisations experience a funding lag.<sup>255</sup>

The Employment Related Services Association also expressed concern about the level of funding UKSPF would provide for employment services:

There is also concern from employment support providers that the level of funding given to the UKSPF is not as much as previous ESF levels. Analysis by the Northern Powerhouse Partnership showed that the north of England alone is losing £331m compared to before Brexit—a 34% cut.<sup>256</sup>

The Shaw Trust highlighted how a lack of matched domestic funding, as often seen with ESF, would mean lower available funding for many voluntary, community and social enterprises (VCSE):

Another UKSPF issue is that the government is funding UKSPF with money aligned with EU funding, without recognising that the ESF was often matched by domestic funding. This is not now happening due to the commissioning approach using lower level authorities. This is significantly reducing the funding available to VCSEs. [ ... ] For Shaw Trust this will see the end of our successful Aim4Work employment and mental health IPS programme. Aim4Work has supported 3,450 people living with a mental health condition, with 41% of them gaining employment as a result.<sup>257</sup>

168. Therefore even with the restrictions on people and skills spending retracted, it is expected that many essential programmes will not remain following the transition from ESF to UKSPF. These are programmes that currently support some of the people furthest from the labour market. As highlighted by Central London Forward, ESF plays a vital role in providing support “for young people who are NEET, inactive residents, and other disadvantaged groups not well served by DWP programmes.”<sup>258</sup> The North East Enterprise Agency explained how ESF “supports young people who are not in education, employment or training [ ... ] and its withdrawal therefore has an enormous impact on clients who would otherwise have benefited from activities which it supported.”<sup>259</sup> The Salvation Army also commented that “many of these individuals do not meet the eligibility criteria for mainstream job finding support from the DWP and are often only reached by third sector service providers, historically funded through schemes like ESF.”<sup>260</sup>

254 The Salvation Army ([JES0034](#))

255 Centrepont ([JES0011](#))

256 Employment Related Services Association (ERSA) ([JES0060](#))

257 Shaw Trust ([JES0012](#))

258 Central London Forward ([JES0017](#))

259 North East Enterprise Agency Ltd (NEEAL) ([JES0004](#))

260 The Salvation Army ([JES0034](#))



169. Professor Dan Finn, Emeritus Professor of Social Inclusion at the University of Portsmouth, recommended that the Flexible Support Fund (FSF) could be used as a way of mitigating the potential loss of services during the transition to UKSPF. FSF is a locally managed budget which provides supplementary funding to existing services and to enable support to be tailored to the needs of individuals in the local area.<sup>261</sup> The FSF provided funding of £3 million in 2020–21 and this increased to £12 million in 2021–22. However, relative to funding for DWP’s major programmes such as Restart and WHP, FSF makes up a very small part of DWP expenditure. Professor Finn suggested that the Government “put a boost in through the Flexible Support Fund so that the provision that is out there does not disappear”.<sup>262</sup> If FSF was expanded, it would provide a possible way to protect essential employment services for people outside the scope of DWP support, including people who are economically inactive.<sup>263</sup>

170. **The move from ESF to UKSPF is of significant concern for external support providers. Whilst the Government’s eventual decision to lift the restriction on the use of the UKSPF for people and skills spending is welcome, there is still expected to be disruption due to comparatively less funding under the UKSPF, especially to the services that smaller organisations deliver. This puts services at risk of collapse and will impact the extent of support available to economically inactive people. *The Flexible Support Fund (FSF) offers organisations access to a limited amount of funding for delivery of employment support programmes. DWP should expand FSF to help mitigate the loss of essential services for economically inactive people.***

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261 [parliament.uk](https://parliament.uk), ‘[Flexible Support Fund](#)’

262 [Q138](#)

263 [Q318](#)

## 4 Transforming support

171. In this Chapter, we look at how people can be supported to enter suitable employment and how employers can be supported to help employees, including when they are in-work. We also look at wraparound employment support, drawing on our visit in February to the United States of America as well as the benefits and challenges of devolving employment support. We finish this Chapter by exploring the importance of transparency of information on programme performance to be able to assess properly what is working and where lessons can be learned.

### Getting people into suitable employment

172. A critical part of driving up employment rates in a sustainable way is ensuring that people are moving into a job that they will be able to retain in the long-term. On the one hand, this means getting people into work that they are qualified for and capable of performing, but it also means getting people into work that they are motivated to do, offers long-term prospects and progression opportunities, provides stable working conditions and sufficient pay, is in an appropriate location and can be performed alongside other responsibilities or personal requirements. This chimes with the 2017 *Good Work: The Taylor Review of Modern Working Practices* report, which said that:

Ensuring all work is fair and decent with realistic scope for development and fulfilment relies on the provision of quality work. However, as we have discovered during this Review, what represents quality work to one person may not for another. In order to make recommendations, it is first important to understand the characteristics that can make up ‘quality work’.<sup>264</sup>

173. DWP prioritises getting people into work quickly, giving the impression that it prioritises people moving into “any job” over ensuring they secure a job that is right for them. This can lead to unsustainable employment and produces positive employment outcomes in the short-term only. For example, the Way to Work campaign aimed to get people into jobs as quickly as possible. In order to receive their benefit payments, the campaign expected claimants to “search more widely for available jobs” and, if unable to find work in their previous occupation or sector, “to look for work in another sector”.<sup>265</sup>

174. The then Secretary of State for Work and Pensions, Rt Hon Dr Thérèse Coffey MP, claimed that “helping people get any job now, means they can get a better job and progress into a career”.<sup>266</sup> However, many believe that the Way to Work scheme failed to consider the long-term career goals of individuals. The Career Development Institution advised that “adopting a ‘work first’ approach that forces people to get any job now, does not automatically mean they can get a better job and progress into a career”.<sup>267</sup> This narrow focus goes against the DWP objective of supporting jobseekers to progress in their careers and overlooks the importance of job quality and stability.<sup>268</sup> The Work Foundation told us:

264 gov.uk, ‘[Good work: the Taylor review of modern working practices \(publishing.service.gov.uk\)](https://www.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/611111/good-work-report.pdf)’ (July 2017), p 10

265 gov.uk, ‘[New jobs mission to get 500,000 into work](https://www.gov.uk/government/news/new-jobs-mission-to-get-500000-into-work)’ (27 January 2022)

266 gov.uk, ‘[New jobs mission to get 500,000 into work](https://www.gov.uk/government/news/new-jobs-mission-to-get-500000-into-work)’ (27 January 2022)

267 The Career Development Institution ([JES0021](https://www.cdi.org.uk/))

268 Belina Grow ([JES0020](https://www.workfoundation.org/))

The Way to Work Scheme to get 500,000 people into work was an inadequate system, pushing people into “any job in any sector” instead of focusing on good, stable and well-paid jobs.

175. Successful international models can be explored to gain an understanding of the benefits of a more long-term approach to reducing unemployment. In Norway, employment support is centred around providing individuals with opportunities, and relative freedom, to secure work that is personally fulfilling. Instead of a “work first” mentality, the emphasis is on career guidance, allowing jobseekers to gain a realistic understanding of available employment options, develop career management skills and cultivate long-term aspirations. According to the Career Development Institution, “this approach which separates activities relating to benefits from careers and employment support reduces conflict between employment service providers and claimants that thwarts their proactivity.”<sup>269</sup>

176. Additionally, the emphasis on securing any job, regardless of its quality, perpetuates employee turnover and fails to address underlying skills shortages. According to the Greater Manchester Combined Authority:

The current national approach can often be summarised as ‘any work’ over ‘good work’—a short-term approach encouraged by outcome targets which result in inappropriate support and outcomes and, ultimately, churn.

177. Employers have expressed concerns about a system within Jobcentre Plus that sets limited importance on finding suitable candidates for roles, but rather pushes claimants to apply for a high volume of jobs. Evidence from Dr Katy Jones from the Centre for Decent Work and Productivity at Manchester Metropolitan University suggested “there is a tension between the national policy push to move people into ‘any job’ quickly [ ... ] and the needs of employers.” During consultations with employers, Dr Katy Jones found that “employers routinely complained about a high volume of inappropriate applications” and disclosed reports of individuals being directed to attend interviews by the Jobcentre without genuine interest or suitability for the position. This leads to inefficiencies and is detrimental to the relationship that employers have with Jobcentre Plus:

Not only does this impede effective recruitment, it has negative time and resource implications (which is especially problematic for SMEs), and results in a tendency to avoid Jobcentres<sup>270</sup>

178. The continued focus on moving people into work quickly undermines efforts to promote good work. While the immediate focus may be on job entry, this risks neglecting the importance of meaningful work and career progression. The Career Development Institution said, “Enabling people to gain the skills to move into meaningful work would reduce employee turnover and address skills shortages.”<sup>271</sup>

179. There are cases where moving people into work quickly is important—where people are at risk of becoming long-term unemployed or at risk of social exclusion, this may be the right thing to do. The consequences of long-term unemployment—making it more

269 The Career Development Institution ([JES0021](#))

270 Dr Katy Jones (Research Fellow at Manchester Metropolitan University) and Dr Calum Carson (Senior Research Assistant at Manchester Metropolitan University) ([JES0032](#))

271 The Career Development Institution ([JES0021](#))

difficult to find work; impacting health and wellbeing; lowering living standards—are critical and important not to overlook.<sup>272</sup> DWP also needs to understand when to give people more space to find more appropriate employment that supports their ambitions, especially where claimants are motivated, skilled and have clear, realistic ambitions. However, the current emphasis on targets can place undue pressure on Work Coaches and require them to encourage claimants into work that isn't right for them.<sup>273</sup> By shifting the focus towards creating opportunities for individuals to enter work that fits with their capabilities and circumstances, long-term benefits can be achieved for both employees and employers.<sup>274</sup>

180. We heard that DWP should adopt a more outcome-driven, long-term strategy. DWP needs to reconsider prioritising sustainable and meaningful employment over immediate job placement. By taking a nuanced approach that identifies individuals' long-term career aspirations and understands the importance of avoiding long-term unemployment, DWP can deliver successful and enduring employment outcomes for claimants; and reduce the number of people falling back into unemployment or economic inactivity.<sup>275</sup>

181. **The Way to Work campaign focused on moving people into work as quickly as possible, without considering whether this work was suitable or sustainable in the long-term. This approach may reduce unemployment in the short-term, but the long-term positive impacts are not evidenced. It can also dissuade employers from using Jobcentres as a resource for finding new employees. DWP should re-focus on getting people into sustainable and suitable employment that enables them to stay in work long-term. DWP should undertake an analysis to understand the long-term employment outcomes of each of its programmes. For future programmes, DWP should create metrics around long-term employment outcomes, measure these outcomes for participants and publish this data.**

## Supporting employers before and beyond the point of employment

### Support for employers

182. There is currently very little publicly funded support for employers to help with recruitment or retention, or advice on taking on employees with additional barriers to employment.<sup>276</sup> DWP provides limited online resources to support employers with basic recruitment requirements, these include: a step-by-step guide to check what employers need to do to employ someone to work for them;<sup>277</sup> and the employer dashboard on the 'Find a job' service through which employers can advertise and manage vacancies.<sup>278</sup> Some of DWP's targeted support programmes, such as SWAPs and previously Kickstart, work with employers to provide work experience, training or job opportunities for participants.<sup>279</sup> However, given the current problem that many employers are having filling vacancies, more needs to be done to align the people who are looking for work with the jobs that are

272 Local Government Association, 'Local employment and skills recovery: Long-term unemployment' (17 May 2002)

273 Greater Manchester Poverty Action ([JES0010](#))

274 [Qq324–325](#)

275 [Qq312–324](#)

276 Association of Colleges ([JES0058](#))

277 gov.uk, 'Employ someone: step by step'

278 gov.uk, 'Advertise a job'

279 gov.uk, 'Sector-based work academy programme: employer guide' (18 August 2020); gov.uk, 'Kickstart Scheme' (01 May 2022)

available. Employers need additional support to understand what they need to change in order to attract candidates, and DWP needs to work with employers to move more people into work.<sup>280</sup> Employers also need to be provided with additional assistance and advice if they are to be adequately equipped and sufficiently incentivised to take on employees who face more complex barriers to employment.<sup>281</sup>

183. That the UK is currently seeing elevated vacancy levels whilst over one million people are unemployed suggests that improvements are needed in the Jobcentre Plus matching process between claimants and jobs.<sup>282</sup> In order to understand what employers are looking for from candidates, DWP needs to work more closely with employers. Establishing better relationships and routes of communication between Jobcentres and key local stakeholders—local authorities, training providers, local employers, and third sector organisations—will provide valuable insights into the requirements of local employers to enable Jobcentres to align the appropriate candidates and relevant training opportunities with the needs of local employers.<sup>283</sup>

184. Employers need to be supported in understanding the fundamentals of decent work, enabling them to create engaging work environments and foster employee trust. To meet the talent and skills demands, employers must adapt to changing expectations of how and when people want to work. DWP can assist employers in making roles more adaptable to market demands, particularly considering the growing number of individuals transitioning into different industries or sectors. Professor Kevin Bampton from the British Occupational Hygiene Society told us:

The more that we can support employers to understand some of the basics about decent work, the more effective we will be. We can throw as much money as we like at individuals, but the employer has to be supported to be able to enable people to engage.<sup>284</sup>

Employers should also be open-minded about the value of transferable skills and explore the potential contributions of individuals with experience in other sectors.<sup>285</sup>

### ***In-work support***

185. The importance of needing to help people, including people on benefits, to progress in work is exemplified by research from the Social Mobility Commission, referred to by the Trades Union Congress, that, “1 in 4 of the UK’s low-paid workers will never escape low pay—a problem due largely to low skill levels.”<sup>286</sup> DWP’s core aim with its employment support services is to move people off benefits and into paid employment. This means that, in the vast majority of cases, that support ceases at the point that a claimant secures a job. For many people this is satisfactory, and, with the support of their employer, they

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280 [Qq351–356](#)

281 [Qq356–357](#)

282 London Councils ([JES0041](#)); Office for National Statistics, ‘LFS: ILO unemployed: UK: All: Aged 16–64: Thousands: NSA’ (11 July 2023)

283 Greater Manchester Poverty Action ([JES0010](#))

284 [Q177](#)

285 [Qq292–293](#); National Enterprise Network ([JES0033](#))

286 Trades Union Congress, ‘TUC submission to the Work and Pensions Committee inquiry on Universal Credit: In-work Progression’ (10 Jun 2019)



are able to successfully manage the transition into work. However, for others who face more complex barriers to employment or who have been unemployed for a long time, the transition into work can be more challenging.<sup>287</sup>

186. Moving into work after a period of unemployment represents a significant adjustment and people are often faced with situations which are new, unexpected or unfamiliar. Individuals who have been long-term unemployed or who have face greater challenges engaging with the labour market often lack the self-confidence or experience to work through these new circumstances alone. For these people there is a risk that without appropriate support to help them negotiate difficult situations when starting a job, they will fall back into unemployment.<sup>288</sup> In-work support from a mentor or support worker can help people to stay in work and promote long-term, sustainable employment.<sup>289</sup> Career Connect said, highlighting the need for this sort of support:

We would like to see greater investment to in-work support. Mentorship programmes to support young people in their initial weeks of employment would reduce risks of people leaving jobs.<sup>290</sup>

187. From the perspective of employers, taking on employees who have greater barriers to employment can be challenging and resource intensive. The National Enterprise Network reported that “the work environments that these groups enter do not understand their needs and how to integrate them into a supportive environment.”<sup>291</sup> This can dissuade employers, especially in smaller businesses, from taking on more disadvantaged employees. David Hale from the Federation of Small Businesses told us:

Lots of businesses tell us that they employ people and then they have to spend a large amount of time convincing them that they can do the job because they are not confident, and because they do not have the skills.<sup>292</sup>

188. Employers need to be incentivised and supported to take on candidates who need more support, time and resources to integrate into the workplace successfully. These individuals can also be seen as more likely to leave a job quickly. Support which is directed at countering this risk can provide reassurance to employers.<sup>293</sup>

189. The Good Jobs Project is an initiative from the charity ReGenerate which is “dedicated to transforming the future of work by promoting purpose-driven recruitment and fostering inclusion.” The project brings together a range of stakeholders with a shared goal “to bridge the gap between labour shortages and marginalised groups seeking employment opportunities.”<sup>294</sup> In its recent report, *The Purpose-Driven Business Solution to the UK’s Labour Shortage*, the Good Jobs Project discussed how to incentivise employers to take on employees who were in receipt of Universal Support. It recommended that the Government provide temporary National Insurance contributions to lower the financial risk for employers of taking on these candidates:

287 Career Connect ([JES0051](#)); Association of Disabled Professionals ([JES0062](#))

288 Barnardo’s ([JES0064](#))

289 Learning and Work Institute ([JES0028](#))

290 Career Connect ([JES0051](#))

291 National Enterprise Network ([JES0033](#))

292 [Q357](#)

293 National Enterprise Network ([JES0033](#))

294 Re-generate, ‘[The Good Jobs Project](#)’

The Government should not require employers to pay employer National Insurance for 12 months for any new employees taken on who were in receipt of Universal Support. Universal Support is an important and necessary intervention that can provide additional support to get people facing marginalisation work ready. Businesses can often be held back by a fear of the financial risk of investing in a person that doesn't work out, or the additional capital that may be required to make any necessary adaptations. Offsetting the additional financial risk that companies undertake would help to address this, and both stoke demand from businesses and build momentum towards a new way of recruiting, thereby giving the desired outcomes of the Universal Support scheme an additional boost.<sup>295</sup>

190. *DWP and the Government should consider and provide a response to the Good Jobs Project recommendation that the Government remove the requirement for employers to pay employer National Insurance for 12 months for new employees who were in receipt of certain benefits.*

191. *DWP's employment support services do not currently offer much support beyond the point of securing employment. People who have multiple or complex barriers to employment or who have been unemployed for a long time are often seen as undesirable employees. People can also fall out of work if they are not supported during the transition into work. DWP should offer continued support beyond employment to claimants at greater risk of falling back into unemployment such as those with complex barriers to employment or those who have been unemployed for a long time. Support should be withdrawn gradually over the first three to six months of employment, depending on need, to support individuals as they establish themselves at work.*

## Making support person-centred

192. DWP told the Committee that "the person-centred approach continues to be key" when it comes to the provision for employment support.<sup>296</sup> A person-centred approach looks to provide support that considers the needs of the individual, their specific barriers to employment, and understands that effective support must extend beyond simply getting someone a job. This might include, amongst other things, caring responsibilities, physical and mental health, housing, family circumstances, addiction issues, problem debt, skills, training, and career ambitions.<sup>297</sup> In order to ensure that people are able to not only gain employment but sustain employment over the long-term, it is vital to meet people where they are and work with them to first become "job ready", argued the Salvation Army.<sup>298</sup>

193. Despite DWP's endorsement of a person-centred approach, the Department has come under criticism from various stakeholders for taking a one-size fits all approach to employment support. PCS said that "DWP's one-size fits all approach to the way Work Coaches communicate with claimants is counterproductive"<sup>299</sup> and the Greater Manchester Combined Authority suggested that DWP attempts to "retrofit needs into

295 The Good Jobs Project, [The Purpose-Driven Business Solution to the UK's Labour Shortage: Report Summary](#) (June 2023), p 17

296 [Correspondence with the Minister for Employment and the Minister for Disabled People, Health and Work relating to statistics for DWP employment support schemes](#)

297 Q84; National Enterprise Network ([JES0033](#)); The Salvation Army ([JES0034](#)); Groundwork UK ([JES0035](#))

298 The Salvation Army ([JES0034](#))

299 PCS ([JES0045](#))

the eligibility criteria of a set of national ‘one size fits all’ programme offers.”<sup>300</sup> In 2021, Greater Manchester Poverty Action (GMPA) established the Greater Manchester Poverty Reference Group—a group of individuals with lived experience of poverty set up to advise the Greater Manchester Independent Inequalities Commission. GMPA found that DWP support was not allied to people’s needs:

There was a strong emphasis that the welfare system was dehumanising and stigmatising, Individuals commented that because of the strict criteria, systems can feel like they are “not on people’s sides”. Despite the participants’ keenness to enter the job market, they felt that employment services used a one size fits all approach and support was largely limited and superficial.<sup>301</sup>

194. The Greater Manchester Combined Authority (GMCA) believes that a more comprehensive “whole system, whole person” approach can be developed, tailored to individuals’ needs. However, GMCA said that DWP, and other departments and local stakeholders with which DWP collaborate, would need to change the way they work in order to develop “a place-based strategic partnership between core partners” to enable delivery of a national policy with “more flexible and responsive use of the levers, resources, relationships and networks”.<sup>302</sup> The Association of Disabled Professionals have recommended that changes need to be made to make support more person-centred:

Effective targets need to be clear and meaningful, based on the individual’s situation. There also needs to be an appropriate framework that accounts for individuals requiring longer transitional periods to get into work, due to multiple or complex barriers [ ... ]. Targets (and incentives) should consider all work options, amongst other aspects of wellbeing, and highlight and resolve the impact of any impairment related barriers to achieve successful and sustainable work outcomes.<sup>303</sup>

As highlighted, an approach that works through the barriers to employment experienced by an individual and mitigates their impact, is an essential part of achieving long-term, sustainable employment. According to Dr Eleanor Carter from the Government Outcomes Lab, based in Blavatnik School of Government at the University of Oxford:

In order to bring about this wraparound support, though, that probably comes with a cost, a greater administrative complexity from interacting with all of these different local support services. We need to think about resourcing that well in order to get this wraparound function that we know that we need.”<sup>304</sup>

195. By producing more successful, longer-term employment outcomes for people further from the labour market, it is possible to save money in the long-term. Tees Valley Combined Authority noted that “a one size fits all policy can lead to a misallocation and/or duplication of resource”<sup>305</sup> whereas, according to the Employment Related Services Association, “person centred delivery reduces preventative public expenditure” on

300 Greater Manchester Combined Authority ([JES0049](#))

301 Greater Manchester Poverty Action ([JES0010](#))

302 Greater Manchester Combined Authority ([JES0049](#))

303 Association of Disabled Professionals ([JES0062](#))

304 [Q89](#)

305 Tees Valley Combined Authority ([JES0044](#))

unhelpful schemes.<sup>306</sup> Despite this, Dr Carter outlined that this sort of support might require a more devolved approach which looks at “co-commissioning arrangements either between different central Government Departments, DWP and health being the obvious ones, but also at a local level thinking about braiding together funding pots between central and local.”<sup>307</sup>

### ***Movement towards wraparound support***

196. Encouragingly, some of the more recent initiatives from DWP appear to be moving towards creating a more person-centred approach which offers claimants enhanced wraparound support. Youth Hubs are a good example of this kind of support. According to DWP:

They offer skills, training, and employment provision, and a range of dedicated local services such as mental health support, debt management and housing support. Young people who require it, can access tailored support from a Youth Hub for up to 6 months to meet any skills gaps to bring them closer to labour market opportunities.<sup>308</sup>

197. A new peer mentoring programme to help people out of addiction and into work, announced in May 2023, will, according to the DWP press release “see mentors who have beat drug or alcohol addiction placed in Jobcentres to help others with dependencies recover and get back into work.”<sup>309</sup> This is a promising development towards making the support offered in Jobcentre Plus more comprehensive. It will also bring more people with lived experience into support delivery, something that Greater Manchester Poverty Action had said was “missing from DWP policymaking” and delivery.<sup>310</sup>

198. The Universal Support programme, announced in March 2023, is a new programme from DWP that will support disabled people and people with health conditions to move into suitable and sustained employment. The programme will offer “wraparound support” with the view to promoting successful, long-term employment outcomes.<sup>311</sup>

### ***Jobs Plus—learning from a successful model in the US***

199. One initiative that we explored on our visit to the US was Jobs Plus. We visited two separate housing authorities funded through Jobs Plus: the Lowell Housing Authority in Massachusetts and the Philadelphia Housing Authority in Pennsylvania.

200. Jobs Plus was developed as a locally based, job-driven approach to increase earnings and advance employment outcomes by engaging a wraparound network of support services to help residents of public housing move into and progress in work. Any resident is eligible to join the scheme as long as they earn below a baseline income. Work readiness, employer linkages, job placement and counselling, educational advancement, technology skills, and financial literacy are some of the areas in which participants can access support. Jobs Plus

306 Employment Related Services Association (ERSA) ([JES0060](#))

307 [Q89](#)

308 Department for Work and Pensions ([JES0066](#))

309 gov.uk, ‘[New peer mentoring programme to help people out of addiction and into work](#)’ (19 May 2023)

310 Greater Manchester Poverty Action ([JES0010](#))

311 HM Treasury, ‘[Spring Budget 2023](#)’ (15 March 2023), p 99

takes a holistic approach to support, bringing together the range of local partners and services necessary to help residents overcome barriers to work, look for work, move into work and stay there.<sup>312</sup> Jobs Plus consists of three core components:

- **Employment-related service**—an intensive, location-focused approach to employment support using a series of employment-related services including skills assessments, training or skills programmes, work-readiness support, employer linkages, financial counselling, educational advancement, job placement, and employment counselling. Participants are encouraged to increase their working hours as well as their hourly rate of income.
- **Financial incentives**—participants are granted a 100% income disregard on their rent. Rental rates are set based on residents' income levels, meaning that normally the more a resident earns the more they pay in rent. Under Jobs Plus, residents' rent is frozen based on their income level when they join the programme. Their rent remains at this level for 48 months regardless of how much their income increases over this period. This is the main incentive for participation in the programme.
- **Community support for work**—a saturation approach immerses the community in work-related support; creating a culture of work and connecting residents with community partners. Community support for work consists of a wraparound system of services which aims to help participants confront the different barriers to employment that they face such as childcare, education, and physical and mental health. Community partners must commit to providing a certain amount of "local match funding" through payment in kind in the form of community services.

201. The ambition of the programme is to get people into sustainable work. Participants are encouraged to undertake career exploration to identify what work will give them long-term fulfilment and success with employment. The support offered through the programme is highly personalised and the jobs that people are encouraged to apply for depend on personal circumstances, skills and ambitions. Whilst many do first apply for entry level jobs, this isn't the case for all participants. For some, the first step to employment centres around building a good work ethic, finding opportunities to gain experience and developing soft skills through volunteer work. Adopting a wraparound approach to support allows each individual to be met where they are and ensures that they get the help they need to progress towards employment in a sustainable and stable manner. It also ensures that the bar is never set too high for anyone to access support and progress towards employment.

202. The programme targets "workable" individuals, those aged 18–64 and both physically and mentally able to work, however, no residents in the development over the age of 18 are turned away from the scheme if they want to participate. Residents must earn below the baseline income in order to participate but other than this there are no eligibility requirements. Programme leaders told us that this has been a key part of the scheme's success with some of the greatest success stories coming from participants who were not considered "workable" at the beginning of the programme.

312 U.S. Department of Housing and Urban Development, '[Jobs Plus Initiative Program](#)'



203. An understanding of local needs was essential to the effective delivery of support. Building community trust amongst residents before the programme started was vital and would not have been possible without knowledge of the area and people living there. All the people engaged in the management of the programme lived locally; their relatability and visibility were considered essential for building relationships and engaging residents. The work of a dedicated community officer was also integral to the programme's success. Creating a team that is part of the community was also essential to engage community partners, without whom the programme could not operate.

204. In Philadelphia we saw how the Philadelphia Housing Authority had used the co-location of services to create a campus of community support that offered extensive support services as a one-stop-shop with employment at the heart of the project. For example, there were various training opportunities, educational programmes, and entrepreneurship support hubs but these were accompanied by childcare drop-off, workspaces, financial advice and counselling services which acted as the foundation for residents' involvement in the more jobs-focused services.

205. The 2021 report, *HUD Jobs Plus Outcomes Evaluation*, which looked at long-term effects of the programme, showed that Jobs Plus "continued to positively impact earnings of work-able residents in the stronger implementation sites 15 years after the program ended" and that children living in housing developments whilst Jobs Plus was implemented "experienced higher earnings and employment in adulthood, compared with their comparison group counterparts."<sup>313</sup>

206. Communities that Work provided evidence to the inquiry calling for a pilot of Jobs Plus to run in England to develop "a new and unique partnership and delivery model between the social housing sector and the employment services support from DWP and Job Centre Plus".<sup>314</sup> In 2018, the Learning and Work Institute published a paper *Developing a Jobs-Plus model for the UK* which proposed the construction of a Jobs Plus programme in the UK and set out proposals for the design of prototype. The Learning and Work Institute said:

We believe that Jobs-Plus presents an unparalleled opportunity to test and develop a genuinely innovative, community-led and evidence-based approach to addressing disadvantage, poverty and exclusion in our most deprived neighbourhoods. This is a model that has been shown to work and for which there is great appetite among social landlords and local partners to test.<sup>315</sup>

**207. Support that is tailored to the needs of the individual produces better long-term results that not only gets people into work but helps them overcome the barriers to employment that were preventing them from gaining and sustaining employment. If these challenges are not dealt with effectively and individuals are not adequately prepared for the workplace, people run the risk of falling back into unemployment. However, to feel able to access wraparound support, trust needs to have been established between the person accessing the support and the person providing support. The Jobs**

313 U.S. Department of Housing and Urban Development, '[HUD Jobs Plus Outcomes Evaluation - Longterm Effects from the Original Jobs Plus Demonstration: Employment and Earnings for Public Housing Residents after 20 Years](#)' (24 September 2021)

314 Communities that Work, Communities that Work Membership ([JE50018](#))

315 Learning and Work Institute, '[Developing a Jobs-Plus model for the UK](#)' (October 2018), p 4

**Plus programmes we visited in the US seemed to have built that trust and rapport by using a community development approach to delivery. DWP should adopt a person-centred approach to future support initiatives which not only help people to find work but also to overcome barriers to employment. Schemes should bring together a range of services necessary to help address physical and mental health problems, intensive employment coaching, support for acquiring skills and qualifications, debt support and transport solutions. To achieve this, the Government should introduce a pilot of the Jobs Plus programme in the UK. Priority should be given to holding pilots, using a community development approach, in areas of high unemployment and high inactivity.**

## Devolution of employment support and division of responsibilities

208. DWP's current delivery model for employment support services is structured around a national set of schemes and interventions.<sup>316</sup> The majority of DWP's employment support schemes are centrally designed and nationally contracted. As explained by Councillor Toby Savage from the Local Government Association (LGA), although "there is clearly ambition and intent to make a difference" it is evident that "the way it is currently structured is not delivering".<sup>317</sup> The LGA claimed that councils and combined authorities "have had limited routes to discuss employment and skills issues with central government" and suggested that funding is "short-term, fragmented and held centrally" and that the powers to affect change were too remote for all but those local authorities situated in an area with a devolution deal.<sup>318</sup>

209. Since 2014, when the Government announced the first devolution deal with Greater Manchester, there has been increasing movement towards devolving powers and funding from national to local government.<sup>319</sup> The 2022 White Paper *Levelling Up the United Kingdom* said that "by 2030, every part of England that wants one will have a devolution deal with powers at or approaching the highest level of devolution and a simplified, long-term funding settlement."<sup>320</sup> The importance of transferring power to a local level was reiterated in the 2023 Spring Budget which communicated the Government's vision of "empowering local leadership through further devolution."<sup>321</sup> Whilst this is a positive step forward, DWP's recent support schemes such as Kickstart and Restart, as we will explore in more detail, have continued to support a centralised delivery model.<sup>322</sup> We heard that efforts need to be accelerated and prioritised to ensure that place-based, integrated skills and employment services are available across the country.<sup>323</sup>

210. In our *Disability employment gap* Report, published in 2021, we recommended that:

DWP should carry out a significant expansion of the number of Devolved Deal Areas, granting more powers to local authorities to set up their own localised version of the Work and Health Programme. Any devolution

316 [DWP Employment Support \(parliament.uk\)](#) (p.18, para. 21)

317 [Q210](#)

318 The Local Government Association ([JES0052](#))

319 Local Government Association, '[Devolution explained](#)'

320 HM Government, '[Levelling Up the United Kingdom White Paper](#)' (02 February 2022), p 234

321 HM Treasury, '[Spring Budget 2023](#)' (15 March 2023), p 44

322 Central London Forward ([JES0017](#))

323 The Local Government Association ([JES0052](#))

should be underpinned by a clear framework including benchmarks and minimum requirements that local authorities must use when commissioning support.<sup>324</sup>

The Government responded that DWP was assessing the effectiveness of the Work and Health Programme, including delivery by Local Government Partners, to help inform the design and delivery of future support.<sup>325</sup>

211. We also recommended that:

The default position should be that groups of local authorities, perhaps based on the recently-defined NHS integrated care system boundaries, where they have the will and capacity to do so, are responsible for delivering employment support for disabled people.<sup>326</sup>

The Government response outlined the work being done by DWP and Jobcentre Plus to provide support that was informed by local opportunities. However, it did not agree to adopt the default position of devolving responsibility for employment support for disabled people to groups of local authorities.<sup>327</sup>

### **Devolution in current employment support schemes**

212. The Work and Health Programme (WHP), which launched in 2017, is targeted towards people with health conditions or disabilities, as well as some other specified disadvantaged groups such as the long-term unemployed.<sup>328</sup> The scheme has been structured to allow Local Government Partners—West London Alliance, Local London, South London Partnership, Central London Forward and the Greater Manchester Combined Authority—to manage their own contracts.<sup>329</sup> Central London Forward (CLF) commended the Work and Health Programme saying, “Devolution has allowed for integration with other local employment, skills and health services. This has helped deliver strong results.”<sup>330</sup> Central London Forward argued that the scheme “demonstrates the potential of devolution” and that the Government should “build on the successes of the programme, ensuring that future programmes are devolved to local areas”. However, when the Kickstart and Restart schemes were launched respectively in 2020 and 2021, both programmes were commissioned nationally, with a limited role for local government.

213. Despite receiving praise for making young people a top priority coming out of the pandemic, Kickstart has been criticised for being highly centralised and neglectful of local authorities. Councillor Kieron Williams from Central London Forward said that the programme was “very centrally driven and there was very limited dialogue with local authorities across the country about how you deliver it well”. He concluded that he was “absolutely confident that if that programme had been devolved to regions, sub-regions or councils it would have been much more effective” compared with “what ended up

324 Work and Pensions Committee, ‘[Disability employment gap](#)’ (22 July 2021), p 25

325 Work and Pensions Committee, ‘[Disability employment gap: Government Response to the Committee’s Second Report of Session 2021–22](#)’ (17 November 2021), p 8

326 Work and Pensions Committee, ‘[Disability employment gap](#)’ (22 July 2021), p 25

327 Work and Pensions Committee, ‘[Disability employment gap: Government Response to the Committee’s Second Report of Session 2021–22](#)’ (17 November 2021), pp 8–9

328 gov.uk, ‘[Work and Health Programme](#)’

329 gov.uk, ‘[Work and Health Programme statistics: background information and methodology](#)’ (25 May 2023)

330 Central London Forward ([JES0017](#))

being a very bureaucratic approach.”<sup>331</sup> Restart has come under similar criticism for not being devolved to local authorities, as well as for the lack of locally accessible performance data. Central London Forward argued that “Restart represents a step back in devolution” and the Greater Manchester Combined Authority (GMCA) asserted that “this was a missed opportunity” and that “GMCA could have added significant value across not only employment support but other skills and health interventions in supporting delivery.”<sup>332</sup>

### ***The benefits of a local approach to employment support***

214. Greater Manchester Poverty Action told us about the importance of taking a local approach to employment support:

Our work has highlighted the importance of devolution, employment support is best delivered at a localised level rather than a centralised, one size fits all approach. Local authorities have wider influence over local employers and have insight into local economic and community needs.

This view was echoed in much of the evidence for this inquiry which has attested to the many benefits of placing control of employment support at a local level. The Child Poverty Action Group (CPAG) highlighted the importance of local knowledge when it comes to delivering employment services. CPAG stated that local authorities have “better knowledge of local business needs and employment opportunities”. Moreover, where referral pathways are only with nationwide providers, lots of local employment opportunities can be side-lined, finding it hard to compete with large commercial companies on costs, bidding experience and economies of scale.<sup>333</sup>

215. Analysis from the Learning and Work Institute for the Local Government Association demonstrated that local needs and priorities vary significantly across local areas given differing economies, labour markets, demographics and histories. The analysis showed that areas were facing distinctly different challenges and opportunities around labour force participation and employment demand. These differences are reflected in very different experiences between areas around jobs growth, workforce skills and productivity. While falling unemployment and record vacancy levels have been seen on a national level, the Learning and Work Institute found that many areas are inversely experiencing high unemployment relative to vacancies. Looking ahead, people in areas with lower participation and demand are far less likely to work in sectors with strong growth prospects and far more likely to work in industries at risk of decline. This would further exacerbate inequalities and undermine opportunities to ‘level up’.<sup>334</sup>

216. Greater Manchester Poverty Action stated that “a commitment to collaborative working is required from DWP”<sup>335</sup> and Central London Forward (CLF) highlighted that DWP has much to learn from local government who have a strong focus on job quality, engage effectively with employers, and integrate employment support into other services. CLF claimed that, especially for people further from the labour market, promoting locally-based support in the future would be critical:

331 [Q209](#)

332 Central London Forward ([JES0017](#))

333 Child Poverty Action Group ([JES0037](#))

334 Local Government Association, ‘[Work Local: benefits of improving employment and skills outcomes](#)’ (17 May 2022)

335 Greater Manchester Poverty Action ([JES0010](#))

Government should ensure that future employment support programmes for the hardest to help are devolved to local areas, allowing support to be tailored to the needs of local communities and local labour markets, and more effectively integrated.<sup>336</sup>

217. Moving towards a more devolved support system also enables greater separation between benefit administration and the provision of support services. According to Greater Manchester Poverty Action “There is a tension inherent in the system due to the dual role of providing employment support and administering benefits.”<sup>337</sup> Central London Forward expressed a similar viewpoint, saying that carrying out both roles can make it difficult for Jobcentre Plus Work Coaches “to form the trusting relationships with participants that are needed to provide effective employment support” and that linking employment support to benefit administration can make people “less willing to seek support”.<sup>338</sup>

218. Central London Forward told us how devolving the responsibility for the provision of employment support to local areas can be a route to creating greater separation between these two functions:

In many European countries, employment support and benefit administration are provided by separate organisations, often with benefit administration managed nationally or regionally, and employment support provided locally.

As part of future discussions on further devolution, CLF would welcome consideration of splitting employment support from benefit administration, with the former devolved to local areas, and the latter maintained centrally.<sup>339</sup>

219. Trust in the system and services that people rely on to support them whilst out of work and to get back into work is vital. There needs to be a positive relationship between Work Coaches and claimants which is built on trust in order for employment support programmes to be as effective as possible.<sup>340</sup> Having a strong relationship with a Work Coach improves the likelihood of claimants engaging with the support on offer and achieving positive employment outcomes.<sup>341</sup>

220. We heard from Greater Manchester Combined Authority how devolving the provision of support to local authorities would provide an opportunity to develop a system that is better equipped to respond to local needs and opportunities whilst also combatting the lack of trust some people currently have in DWP.<sup>342</sup>

### **The challenges of devolution**

221. Although there is good evidence of the numerous benefits of greater devolution in employment support delivery, a localised model of provision does not come without challenges. When services are centralised, it can be easier to maintain oversight and

336 Central London Forward ([JES0017](#))

337 Greater Manchester Poverty Action ([JES0010](#))

338 Central London Forward ([JES0017](#))

339 Central London Forward ([JES0017](#))

340 Trades Union Congress ([JES0030](#))

341 The Salvation Army ([JES0034](#))

342 Greater Manchester Combined Authority ([JES0049](#))



ensure there is a consistent standard of delivery. Councillor Toby Savage from the Local Government Association emphasised that it is important that the right balance is reached between consistency and adaptability:

There will always be a balance to be struck around ensuring that there is a consistent level of provision and support, while making sure that you do not lose sight of particular pockets within particular communities, where their needs are different.<sup>343</sup>

This is a concern that is often stressed in relation to more rural areas where there might be reduced capacity to deliver these programmes.<sup>344</sup> However, Councillor Kieron Williams from Central London Forward asserted that local leaders should be trusted to provide the support that is needed for the people in their area, saying, “I have not met a council leader who is not passionate about ensuring that everyone in their community has the chance to work and gets into work and that they have high employment rates. There needs to be a trusted relationship.” He also emphasised that local authorities have struggled to ensure comprehensive provision due to a lack of money:

If there is no money, and local authorities have struggled so much financially after the reductions in funding they have seen over the last decade, of course there will be some councils that are not providing that support in some areas currently.<sup>345</sup>

222. When asked about the problem of devolution capability, the Minister for Employment, Guy Opperman MP told us:

It is clearly difficult, as I have found, to ensure that there is a rural offer in a new mayoralty that is complementary and as good as the urban offer, where things can be concentrated, delivery is easier, and so on.<sup>346</sup>

However, Councillor Williams argued that “some variation in quality” was unavoidable and present also in the current system: “there is huge variation in quality in the current DWP contracts, some of which have hugely underperformed.” Nonetheless, he reiterated that there was clear evidence that local authorities could be entrusted to provide high quality employment support and that the risk of inconsistency was not an argument for maintaining a centralised model for employment support:

We absolutely know—we saw this in the pandemic in spades—that local authorities can step up to provide all sorts of provision at incredible pace, whether that was the humanitarian response to the pandemic or the work around public health advice to schools. Local authorities will step in to provide good quality services.<sup>347</sup>

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343 [Q189](#)

344 [Q206](#)

345 [Q206](#)

346 [Q453](#)

347 [Q206](#)

223. According to Reed in Partnership, employment support for rural participants is most effective when “embedded in local communities”, working with employers to improve access to local jobs and working in partnership with local organisations to tailor the service to the needs of the community and geographical area.<sup>348</sup>

224. It is important that good practice is shared between local authorities as devolution is expanded. Strong links of communication will allow expertise and knowledge to spread across the country. The Department has agreed both the Greater Manchester Combined Authority and the West Midlands Combined Authority will play a role in the design of future employment programmes. In a positive step, DWP has also told us that “unless a national approach is deemed necessary” there will be “a starting assumption of a delegated delivery model”.<sup>349</sup>

### **DWP’s role in a devolved system**

225. There is still a critical role for DWP in a more devolved system of employment support. Firstly, DWP would need to set clearly defined objectives to ensure that local authorities understand Government priorities, monitor progress against these aims, and set a policy framework around which local support services can be constructed. Graham Whitham from Greater Manchester Poverty Action told us that DWP needed to “drive local action responses and the delivery of employment support and give much greater clarity to Jobcentres and their partners at a local level to get the outcomes they should be seeking to achieve.”<sup>350</sup>

226. Councillor Toby Savage from the Local Government Association said that devolution to local areas would “need to sit within a national framework”. He stressed that it was important that DWP had oversight of a devolved programme, to make sure that local authorities are delivering value to the taxpayer whilst giving local leaders “the flexibility to be responsive to the individual needs of communities, given the differences and disparities that exist around the country.”<sup>351</sup> DWP would also retain responsibility for administering the benefits regime at a national level.

**227. The current centralised delivery model for employment support does not make the most of local knowledge or expertise and promotes a one-size-fits-all approach to support design. A more devolved approach to support design and delivery would allow support to be better tailored to the individual and could be designed to take advantage of local opportunities and existing networks, and meet regional vacancy needs. DWP should, as standard, devolve all future employment support programmes to groups of local authorities. In line with the recommendation in our Disability employment gap Report, we suggest that these be based on the NHS integrated care system boundaries to allow better integration between mental health support and employment support.**

**228. DWP should establish a system of devolved support that sits within a National Framework where DWP maintains oversight of programmes to ensure that delivery is of a high and consistent standard, that value is delivered to the taxpayer and that**

348 Reed in Partnership ([JES0039](#))

349 [Correspondence with the Minister for Employment and the Minister for Disabled People, Health and Work relating to statistics for DWP employment support schemes](#)

350 [Q201](#)

351 [Q206](#)

*consistent performance data is published for each area. DWP must make sure that lessons learned are shared by regions that are already operating under a more devolved model as devolution is broadened and accelerated.*

229. The two-fold responsibilities of DWP to both provide employment support and administer benefits can deter people from seeking support and damage the trust that claimants have in support services. *A more devolved model of support should be used to engender greater separation of employment support and benefit administration.*

## Transparency of information and DWP accountability

230. The DWP 2021–22 Annual Report and Accounts stated the Department’s commitment to “Providing transparent accountability through regular reporting, both within the Department, to the centre and Parliament”.<sup>352</sup> The importance of transparency and accountability when it comes to producing public service delivery data is well established. Providing information on a regular basis about the objectives, cost and performance of Government initiatives builds public trust and confidence in public services. By being open and candid about the effectiveness of programmes, the Government allows itself to be held accountable to taxpayers and the people it serves.

231. In correspondence, Guy Opperman MP, Minister for Employment, and Tom Pursglove MP, Minister for Disabled People, Health and Work, said that DWP is “committed to producing accurate, timely, high quality official statistics publications where possible” and that “the department publishes a statistical work programme to ensure that we are open and transparent about our progress towards meeting our priorities and objectives”.<sup>353</sup> The DWP statistical work programme includes statistics on the following employment support schemes:

**Table 3: DWP statistical releases: Employment Support Schemes**

Scheme	Frequency	Summary	Status
Access to Work	Annual	Experimental statistics on the number of people who had Access to Work provision approved.	Open
Restart	Bi-annual	Experimental statistics on the number referrals, starts and job outcomes on the Restart Scheme.	Open
Work and Health Programme	Quarterly	Experimental statistics on the number referrals, starts and job outcomes on the Work and Health Programme.	Open
European Social Fund (ESF)	Bi-annual	Experimental statistics on the number of starts and job outcomes on the ESF 2014 to 2020 employment programme.	Closed
New Enterprise Allowance (NEA)	Bi-annual	Official statistics on the number of starts with a business mentor and number of business starts on the NEA.	Closed

Source: gov.uk, ‘[Statistical work programme](#)’ (19 June 2023)

352 Department for Work and Pensions, ‘[Annual Report and Accounts 2021–22](#)’ (7 July 2022), p 104

353 [Correspondence with the Minister for Employment and the Minister for Disabled People, Health and Work relating to statistics for DWP employment support schemes](#)

232. Of the five employment schemes for which DWP produce regular statistical releases, only three are still in operation with the ESF and NEA programmes having both now closed. For the other support programmes currently in operation or which have recently closed—Kickstart, the DWP Youth Offer, JETS, Way to Work, SWAPs and IPES—no data or statistics are published by the Department.

233. When the Minister for Employment came in front of us, he said of the Department, “We disclose way more, and are way more transparent than we have been.”<sup>354</sup> However, with data published for only five of the 11 recent employment schemes, and only three of the current schemes, it is clear that there is scope for the Department to do more. In addition, from 2012 to 2017, the Department published on its website a collection of DWP responses to Freedom of Information (FOI) requests related to statistics.<sup>355</sup> Since 2017, DWP has not published its responses to data related FOI requests on its website, making it harder to find the information. Although DWP told us that it “complies with the intent of the FOI Act and the Cabinet Office Code of Practice”,<sup>356</sup> this still represents an avoidable reduction in departmental transparency.

234. In recent correspondence, the Minister for Employment and the Minister for Disabled People, Health and Work informed us that the Department seeks to publish statistics that “meet the needs of a broad range of users where there is the capacity and the need to do so”.<sup>357</sup> However, throughout this inquiry we have heard from a wide range of stakeholders that DWP does not share sufficient data or ensure adequate transparency around programme performance to enable satisfactory scrutiny or assessment of its employment support services.

235. In a discussion about Youth Hubs, Barry Fletcher from Career Connect and Billy Harding from Centrepont highlighted the need for more data and comprehensive evaluation. Barry Fletcher told us “It is unclear what impact Youth Hubs, which have been rolled out, are having. There is a lack of data and evaluation on those at the moment.”<sup>358</sup> On the co-location of services, Billy Harding added, “We really support the vision, but it needs funding, evaluation and hard data to show where it is and isn’t working.”<sup>359</sup> Barry Fletcher, discussing the collaboration of services and organisations within Youth Hubs, further stressed this point:

There needs to be data and an evaluation of the way that works. There needs to be a standard set of MI that you create that says how many young people are going through and what outcomes the young people are getting, so that we can understand what is making a difference and what is working. You may raise it, but I certainly have not seen anything published by DWP around that on Youth Hubs, so I think it is really difficult to look beyond the anecdotal. When you are trying to create a consistent England-wide service, I do not think you should do that.<sup>360</sup>

354 [Q387](#)

355 [gov.uk, ‘DWP statistical FOI releases’ \(16 November 2017\)](#)

356 [Correspondence with the Minister for Employment and the Minister for Disabled People, Health and Work relating to statistics for DWP employment support schemes](#)

357 [Correspondence with the Minister for Employment and the Minister for Disabled People, Health and Work relating to statistics for DWP employment support schemes](#)

358 [Q118](#)

359 [Q119](#)

360 [Q124](#)

With the structuring of Youth Hubs relying on the co-location of a variety of services provided by a range of organisations, the importance of sharing data in a timely manner is more pronounced and could underpin their success.<sup>361</sup>

236. James Taylor from Scope spoke about how a lack of public evaluation acted as a barrier to DWP understanding the effectiveness of its employment support provision for disabled people:

We believe that the fundamental issue is that it is impossible for the DWP to say how effective its programmes have been in closing the employment gap. [ ... ] There is no public evaluation of any of these schemes that would suggest how effective they are.<sup>362</sup>

237. DWP has also received criticism from local representatives that a lack of data sharing is restricting the effectiveness of DWP's support programmes and blocking useful insight into what works. Councillor Toby Savage from the Local Government Association told us that "there is a real missed opportunity where data sharing could make sure that we are more effective at a national, regional and local level"<sup>363</sup> and that "the ability to analyse the data and share it and interrogate it collectively [ ... ] remains a challenge".<sup>364</sup> Councillor Kieron Williams from Central London Forward also highlighted the difficulty in assessing the effectiveness of DWP's programmes:

I would find it very hard to say for my community or for the central London boroughs because we simply don't have that level of data sharing. Of course, that is very important, not just for knowing whether it is good value for money but for doing the iterative work to make sure, "If that is not working, how are we going to make sure that it works for those groups of people who we want to get to?" That partnership is very hard to do without the data.<sup>365</sup>

238. This indicates that the data that DWP is currently producing is not satisfactorily meeting the needs of users. Following our work to highlight the lack of data available for the Restart scheme, on the 8 July 2023 the Department released the first set statistics and has now said it will produce data bi-annually for the programme.

239. The timeliness of data is a critical aspect of its usefulness. Providing up-to-date information on outcomes and performance allows programmes to be evaluated as they progress; contributing valuable feedback and advice on how services can be improved.<sup>366</sup> In regard to Kickstart and Restart, London Councils told us that DWP should have shared real-time data with local teams to ensure that claimants were receiving the right support:

Government should share the numbers and characteristics of people participating in the main national employment programmes at a borough level. Ideally this should be real-time data as official statistics are often at least several months behind. This can help local government better integrate DWP provision with locally commissioned provision and ensure

361 [Qq118–124](#)

362 [Q139](#)

363 [Q190](#)

364 [Q205](#)

365 [Q190](#)

366 Centre for Public Data and John Penrose MP ([JES0068](#))



unemployed residents get the right support. It can also help identify gaps in provision and help work with skills providers such as colleges to shape a more effective employability and targeted reskilling offer.<sup>367</sup>

The Local Government Association shared this perspective:

Despite doing significant work to support DWP on Kickstart, many councils were not able to access basic destination information and progression data for local kickstart placements. In effect, this meant councils were unable to help build in transition support for those finishing their placements.<sup>368</sup>

240. Transparent reporting of information is critical to ensuring that the Department is delivering effective support to the people who need it. However, to support effective accountability, it is also important to establish clear metrics against which performance can be evaluated.<sup>369</sup> The Way to Work campaign was launched in January 2022 with the target “to move half a million people into jobs by the end of June” DWP announced at the end of June 2022 that the target had been met, saying in a press release, “Over 500,000 jobseekers have been supported to find work through their jobcentre as government meets its target.”<sup>370</sup> However, the Office for Statistics Regulation wrote to the Department, raising concerns about the statistic:

There is no clear explanation of how the Way to Work target was defined, how it would be measured, and the methods used to support claims, such as those in the tweet and press release, that the target has been reached.<sup>371</sup>

Analysis from the Learning and Work Institute further scrutinised the DWP claim and found that “the total number of people leaving the alternative claimant count did not rise in January-June 2022. That would be indicative of the campaign not having an impact.”<sup>372</sup>

241. When Guy Opperman MP, Minister for Employment spoke to us about the transparency of DWP’s reporting, he suggested that DWP should aim to produce twice yearly data releases for its programmes:

My recommendation to the Secretary of State would certainly be that we target that around two big events in the parliamentary calendar: the Budget and the autumn statement. Those two events should, effectively, involve a significant data release around them.

242. **We welcome the recent publication of Restart statistics but there is more work to be done to if the Department is to provide transparent accountability across the range of DWP employment services. DWP lacks transparency around programme performance, making proper evaluation of schemes unfeasible. This makes it difficult to hold the Department to account or make detailed recommendations around its programmes. DWP should release results for each of its employment programmes on a quarterly basis, as it does for the Work and Health Programme. This would allow**

367 London Councils ([JES0041](#))

368 The Local Government Association ([JES0052](#))

369 Centre for Public Data and John Penrose MP ([JES0068](#))

370 gov.uk, ‘[Half a million benefit claimants get jobs in under 6 months](#)’ (30 June 2022)

371 Office for Statistics Regulation, ‘[Ed Humpherson to Peter Schofield: Department for Work and Pensions \(DWP\) Way to Work target and use of figures by government](#)’ (29 July 2022)

372 Learning and Work Institute ([JES0028](#))

*external evaluation of the schemes which would help DWP make informed decisions about how to implement changes or continue successful practices. This data release should start no later than 1 January 2024.*

243. DWP does not consistently set clear targets for its programmes or produce results against these targets. Where it has set targets previously, such as for Way to Work, these have been criticised as being inadequately defined and the results against these targets unsubstantiated. *DWP should follow guidance from the Office for Statistics Regulation to establish targets and measure performance against these for all its programmes going forward.*

## Conclusion

244. The Government's Plan for Jobs and DWP's response to the pandemic introduced a number of measures to support the recovery of the labour market and help people return to work. Although these initiatives have shown some success at helping people re-enter the labour market, they have not been able to reverse the significant increase in economic inactivity, particularly among young people, older people and people with disabilities or long-term health conditions. In this Report we have looked at how successful the Plan for Jobs and DWP's other employment support programmes have been at supporting people into work; we have proposed a number of measures to help combat economic inactivity among those groups experiencing higher levels of worklessness; and we have made recommendations about how DWP should aim to transform its approach to support.

## Annex: Visit to the United States of America

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Members of the Committee visited the United States of America between 27 February and 3 March.

While in **Boston and Lowell**, we:

- Had a briefing from the Boston British Consulate Team;
- Visited the Jobs Plus programme at the Lowell Housing Authority;
- Met MassChallenge;
- Exchanged views with City of Boston officials;
- Met Teamsteers Local 25; and
- Spoke with State Government and non-profit organisations from Rhode Island.

While in **Philadelphia**, we:

- Had a discussion with the British American Business Council of Greater Philadelphia;
- Visited the Jobs Plus programme at the Philadelphia Housing Authority;
- Met with the Philadelphia Youth Network; and
- Visited The Wardrobe.

While in **Washington DC**, we:

- Had a briefing from the British Embassy in Washington;
- Held a discussion with think tanks and academics on the future of workforce development;
- Met the Deputy Assistant to the President and Deputy Director for Labor and Economy at the White House Economic Council;
- Exchanged views with staffers from the Senate Committee on Health, Education, Labor and Pensions;
- Spoke with the National Governors Association; and
- Held a roundtable with Department of Labor officials.

## Conclusions and recommendations

### Economic inactivity and supporting labour market engagement

1. The pandemic has led to a steep rise in mental health problems among young people. Whilst maintaining steady employment often helps people to sustain good mental health, problems with mental health are a principal barrier to employment for many 16-to-24-year-olds. *Support for mental health should be treated as a foundational aspect of employment support for young people. Mental health support and specific training designed to build confidence around job readiness should be integrated into future DWP programmes designed for this age group. DWP should consult with mental health professionals when designing this support to ensure it is appropriate and effectively integrated into the programme.* (Paragraph 49)
2. DWP Youth Hubs offer vital services to young people and the provision of mental health support services in all Youth Hubs is a critical part of that. However, not all young people who need this support are currently able to access it. There is also insufficient guidance to ensure that the mental health support provided meets appropriate quality standards across the Youth Hub network. *Whilst the work that DWP is doing with integrated mental health support in Youth Hubs is encouraging, DWP must ensure that these services are available to all young people who are out of work across the country. Eligibility requirements should be expanded so that economically inactive young people who are not claiming Universal Credit but want help returning to the labour market are able to access Youth Hub services.* (Paragraph 50)
3. *DWP should ensure that mental health support services continue to be set up in all new Youth Hub locations as a mandatory element. DWP needs to set clear guidance for these services to ensure a baseline standard of delivery across the Youth Hubs network.* (Paragraph 51)
4. *We welcome the expanded funding in Spring Budget 2023 for Youth Hubs. DWP need to establish an overarching funding structure and dedicated funding pot for Youth Hubs. DWP must also undertake an analysis of existing Youth Hubs to establish good practice and cost effectiveness. Knowledge and lessons learned should be shared with new centres.* (Paragraph 52)
5. We welcome the joint DWP and the DHSC Individual Placement and Support in Primary Care (IPSPC) initiative that has tried out embedding employment support in mental health services for mild to moderate mental health conditions. *The Department should work with devolved administrations to roll out IPSPCs more widely so that this service is available across the country. DWP should also consider how NHS integrated care systems can provide employment support to people with other long-term health conditions, along with mental health.* (Paragraph 53)
6. *The Government should have the IPSPC initiative rolled out across the country by the end of this financial year in March 2024.* (Paragraph 54)
7. The benefit rules for Universal Credit and Housing Benefit can interact in such a way that a cliff edge arises when claimants in supported accommodation who must

claim both benefits work more than 12 hours a week. This is counter-productive to encouraging younger employees to return to the labour market. DWP should not maintain any policies or practices that stand in the way of people who want to work. Not only does this reduce labour market engagement in the short-term it can also prevent people from progressing at work and becoming financially independent in the long-term. *DWP needs to remove this cliff edge. The Government should increase the applicable amount within Housing Benefit for young people in supported accommodation to £117.56 a week, either by raising the personal allowance or by introducing a new premium. This would bring the benefit taper in line with those not in supported housing. This change should be implemented no later than the start of the 2024–25 financial year.* (Paragraph 57)

8. We welcome the Minister for Disabled People, Health and Work's intention for "a root and branch" review of the Disability Confident scheme and his acknowledgment of the role this will play in changing attitudes around disabled workers. (Paragraph 61)
9. Many people are not able to work full-time, and a lack of suitable, flexible work is barring people from engaging with the labour market. This is particularly evident for people who have additional needs or responsibilities which make more traditional working patterns challenging. *DWP should produce a hiring guide within the next six months which encourages employers to create opportunities for flexible working where possible, including hybrid working, job sharing, flexible hours and part-time roles. This guidance should highlight the benefits to both employers and employees and promote a change in employer attitudes towards offering greater flexibility to staff. The success of these initiatives will partly depend upon the impact that they have on productivity.* (Paragraph 65)
10. Ageism in the workplace is an important issue that needs to be confronted if this demographic is to be successfully supported to stay in or re-enter employment. *Employers should be supported by DWP to create job roles and a workplace environment which are attractive to older workers, emphasising the value and experience that older people bring to the workplace.* (Paragraph 82)
11. *DWP should establish a scheme which champions older workers and encourages employers to hire staff over the age of 50. This scheme should push to improve workplaces for older people by providing an outcomes-based accreditation to employers who can demonstrate that their workplace is welcoming and supportive of older workers. Employers who join the scheme should be required to publish staff data on over 50s employment in their organisation.* (Paragraph 83)
12. 18,400 employers now have Disability Confident accreditation, helping to encourage employers to recognise the importance of making the workplace accessible for disabled people. However, this scheme focuses on processes rather than outcomes. It does not do enough to ensure that impactful change is being made to the working lives of disabled employees or to increase the number of disabled employees that accredited employers hire. *DWP should strengthen the requirement for employers to recruit disabled people before being awarded a higher level of accreditation in the Disability Confident Scheme. DWP should introduce banded thresholds for the percentage of disabled people that an employer must employ in order to attain levels 2 and 3 of the Disability Confident accreditation.* (Paragraph 84)



13. *Employers at level 2 should also be required to publish the percentage of disabled employees at their organisation. This would send a much stronger signal to disabled people in the labour market about which employers employ disabled people and have supportive, accommodating working environments. (Paragraph 85)*
14. *DWP should consider the potential that income protection insurance has to help people experiencing illness or injury remain in employment, support their return to work and reduce the financial burden on DWP when people become unable to work. DWP should explore how income protection insurance could work alongside occupational health as a joined-up approach to promoting workplace health. (Paragraph 99)*
15. *There is inadequate access to occupational health services, especially for those working for small businesses. The rise in the number of people who are economically inactive due to long-term health conditions and high rates of economic inactivity among disabled people suggests more needs to be done to support health at work. We support the initiatives introduced in the Spring Budget around occupational health. However, DWP needs to outline a more detailed timeline about when these initiatives will take place. DWP should implement the research recommendations following the expansion of the SME subsidy pilot. We urge the Government to release such findings before the 2022–23 Session is prorogued. (Paragraph 104)*
16. *DWP should also use the SME subsidy pilot to conduct research on employee attitudes to occupational health and barriers to take-up. This should be done with a view to establishing a requirement for employees to participate in occupational health services following an extended health-related absence from work to support their return to the workplace. (Paragraph 105)*
17. *Creating opportunities for older workers to remain active in the labour market for longer is important for reducing economic inactivity. The Government's Returnerships initiative looks to support older workers to change career but does not attempt to reduce the loss of industry experience and expertise that this will entail. DWP should develop a mentoring initiative that provides opportunities for older workers to take on roles as industry mentors to train and support new workers. This is particularly relevant for sectors such as construction and healthcare which see high levels of work-related ill-health or burnout. (Paragraph 106)*
18. *Some over 50s who stopped working after the pandemic may not have the financial security they need to support themselves for the rest of their lives. We welcome the new Midlife MOT website launched by DWP on 5 July 2023 and its purpose to "help older workers with financial planning". In line with our recommendations in the Accessing pension savings Report, DWP should work to ensure maximum take-up of the scheme and monitor its accessibility and effectiveness. DWP should confirm that it is still committed to offering the mid-life MOT in person, as well as digitally. (Paragraph 116)*
19. *The UK labour market is facing high rates of economic inactivity, driven up as a result of the pandemic and the ending of freedom of movement. Although rates have now somewhat recovered, there are many more people outside the labour market than prior to the Covid-19 pandemic. Whilst DWP offers a range of support for unemployed people who are in receipt of benefits there is almost no support*

available to individuals who are economically inactive and outside the benefit system. We are concerned that a lot of people who are not in work but are capable of working, are not being supported to re-enter the labour market. *DWP should expand the eligibility requirements of future support programmes that target groups with high levels of economic inactivity to include people who are not in receipt of benefits.* (Paragraph 124)

20. The Restart scheme has seen an underspend against its budget since it was launched in 2021. Despite this, strict eligibility criteria mean that many people who would benefit from the support of the programme are not able to access help. *Where there are programme underspends or lower than expected uptake of schemes, as seen with Kickstart and Restart, the Department should allow people who are economically inactive and meet the programme's other criteria to access support. These programmes need to be well publicised in places that have regular contact with the key demographics. This might include advertising in GP surgeries, youth centres and housing associations to ensure economically inactive people are made aware of the available help.* (Paragraph 125)

### Employment support services and getting people into work

21. We have heard numerous positive reports about Kickstart, however, without a comprehensive analysis of Kickstart or any publication of data on employment outcome, it is not possible to say with any assurance how successful the scheme has been or what value it delivered for participants. We look forward to the statistical release which DWP has said it will publish "before the end of term". *DWP should apply the lessons of its forthcoming evaluation in considering possible future schemes along the lines of Kickstart.* (Paragraph 135)
22. We welcome that the Department has already responded positively to our request to publish Restart statistics regularly. The previous lack of transparency around how the programme was performing and its employment outcomes for participants had prevented valuable external assessment of the scheme and limited DWP's accountability for the programme outcomes. The move to publish regular statistics for Restart is a good step towards increased transparency. (Paragraph 140)
23. Access to Work is seen as being a very successful programme with positive impacts for claimants. However, employer awareness of the scheme is limited and there are many more people with a disability or health condition who could benefit from the support. *In line with our recommendations in the Disability employment gap Report, DWP should launch a marketing campaign targeted at employers and disabled people to raise awareness of the scheme.* (Paragraph 148)
24. *DWP should roll out the Work Adjustment Passport for everyone who receives support from Access to Work to support people transitioning into work or between jobs. This would make it easier to access support and obtain adjustments quickly.* (Paragraph 149)
25. The Access to Work system is outdated and often unable to accept online document submission or e-signatures. A system that requires applications and claims must be

sent in by hand acts as a practical barrier to support. *DWP needs to update the Access to Work document submission process so that all documentation can be submitted online. It should do this by the end of 2023.* (Paragraph 150)

26. *In line with our recommendation in our Disability employment gap Report, we recommend that DWP should review the number of DEAs and the support that Jobcentre Plus staff receive on supporting disabled people. DWP need to ensure that there is adequate access to specialist advice for disabled people in Jobcentres which covers specific needs of different groups.* (Paragraph 152)
27. *With the withdrawal of the New Enterprise Allowance (NEA), there is no longer a dedicated self-employment support programme provided by DWP. Many people, including older people and disabled people, would benefit from the opportunity to start their own business as a way to engage with the labour market. DWP should evaluate the NEA and consult with external organisations who operate self-employment support schemes to design a new self-employment support programme that offers effective support and is inclusive of the needs of both disabled people and older people.* (Paragraph 159)
28. *The move from ESF to UKSPF is of significant concern for external support providers. Whilst the Government's eventual decision to lift the restriction on the use of the UKSPF for people and skills spending is welcome, there is still expected to be disruption due to comparatively less funding under the UKSPF, especially to the services that smaller organisations deliver. This puts services at risk of collapse and will impact the extent of support available to economically inactive people. The Flexible Support Fund (FSF) offers organisations access to a limited amount of funding for delivery of employment support programmes. DWP should expand FSF to help mitigate the loss of essential services for economically inactive people.* (Paragraph 170)

### Transforming support

29. *The Way to Work campaign focused on moving people into work as quickly as possible, without considering whether this work was suitable or sustainable in the long-term. This approach may reduce unemployment in the short-term, but the long-term positive impacts are not evidenced. It can also dissuade employers from using Jobcentres as a resource for finding new employees. DWP should re-focus on getting people into sustainable and suitable employment that enables them to stay in work long-term. DWP should undertake an analysis to understand the long-term employment outcomes of each of its programmes. For future programmes, DWP should create metrics around long-term employment outcomes, measure these outcomes for participants and publish this data.* (Paragraph 181)
30. *DWP and the Government should consider and provide a response to the Good Jobs Project recommendation that the Government remove the requirement for employers to pay employer National Insurance for 12 months for new employees who were in receipt of certain benefits.* (Paragraph 190)
31. *DWP's employment support services do not currently offer much support beyond the point of securing employment. People who have multiple or complex barriers to employment or who have been unemployed for a long time are often seen as*

undesirable employees. People can also fall out of work if they are not supported during the transition into work. *DWP should offer continued support beyond employment to claimants at greater risk of falling back into unemployment such as those with complex barriers to employment or those who have been unemployed for a long time. Support should be withdrawn gradually over the first three to six months of employment, depending on need, to support individuals as they establish themselves at work.* (Paragraph 191)

32. Support that is tailored to the needs of the individual produces better long-term results that not only gets people into work but helps them overcome the barriers to employment that were preventing them from gaining and sustaining employment. If these challenges are not dealt with effectively and individuals are not adequately prepared for the workplace, people run the risk of falling back into unemployment. However, to feel able to access wraparound support, trust needs to have been established between the person accessing the support and the person providing support. The Jobs Plus programmes we visited in the US seemed to have built that trust and rapport by using a community development approach to delivery. *DWP should adopt a person-centred approach to future support initiatives which not only help people to find work but also to overcome barriers to employment. Schemes should bring together a range of services necessary to help address physical and mental health problems, intensive employment coaching, support for acquiring skills and qualifications, debt support and transport solutions. To achieve this, the Government should introduce a pilot of the Jobs Plus programme in the UK. Priority should be given to holding pilots, using a community development approach, in areas of high unemployment and high inactivity.* (Paragraph 207)
33. The current centralised delivery model for employment support does not make the most of local knowledge or expertise and promotes a one-size-fits-all approach to support design. A more devolved approach to support design and delivery would allow support to be better tailored to the individual and could be designed to take advantage of local opportunities and existing networks, and meet regional vacancy needs. *DWP should, as standard, devolve all future employment support programmes to groups of local authorities. In line with the recommendation in our Disability employment gap Report, we suggest that these be based on the NHS integrated care system boundaries to allow better integration between mental health support and employment support.* (Paragraph 227)
34. *DWP should establish a system of devolved support that sits within a National Framework where DWP maintains oversight of programmes to ensure that delivery is of a high and consistent standard, that value is delivered to the taxpayer and that consistent performance data is published for each area. DWP must make sure that lessons learned are shared by regions that are already operating under a more devolved model as devolution is broadened and accelerated.* (Paragraph 228)
35. The two-fold responsibilities of DWP to both provide employment support and administer benefits can deter people from seeking support and damage the trust that claimants have in support services. *A more devolved model of support should be used to engender greater separation of employment support and benefit administration.* (Paragraph 229)



36. We welcome the recent publication of Restart statistics but there is more work to be done to if the Department is to provide transparent accountability across the range of DWP employment services. DWP lacks transparency around programme performance, making proper evaluation of schemes unfeasible. This makes it difficult to hold the Department to account or make detailed recommendations around its programmes. *DWP should release results for each of its employment programmes on a quarterly basis, as it does for the Work and Health Programme. This would allow external evaluation of the schemes which would help DWP make informed decisions about how to implement changes or continue successful practices. This data release should start no later than 1 January 2024.* (Paragraph 242)
37. DWP does not consistently set clear targets for its programmes or produce results against these targets. Where it has set targets previously, such as for Way to Work, these have been criticised as being inadequately defined and the results against these targets unsubstantiated. *DWP should follow guidance from the Office for Statistics Regulation to establish targets and measure performance against these for all its programmes going forward.* (Paragraph 243)
38. The Government's Plan for Jobs and DWP's response to the pandemic introduced a number of measures to support the recovery of the labour market and help people return to work. Although these initiatives have shown some success at helping people re-enter the labour market, they have not been able to reverse the significant increase in economic inactivity, particularly among young people, older people and people with disabilities or long-term health conditions. In this Report we have looked at how successful the Plan for Jobs and DWP's other employment support programmes have been at supporting people into work; we have proposed a number of measures to help combat economic inactivity among those groups experiencing higher levels of worklessness; and we have made recommendations about how DWP should aim to transform its approach to support. (Paragraph 244)



# Formal minutes

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**Wednesday 12 July 2023**

## **Members present**

Sir Stephen Timms, in the Chair

Debbie Abrahams

Siobhan Baillie

Neil Coyle

David Linden

Nigel Mills

Selaine Saxby

Dr Ben Spencer

Sir Desmond Swayne

## **Plan for jobs and employment support**

Draft Report (*Plan for jobs and employment support*), proposed by the Chair, brought up and read.

*Ordered*, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 244 read and agreed to.

Annex and Summary agreed to.

*Resolved*, That the Report be the Eighth Report of the Committee to the House.

*Ordered*, That the Chair make the Report to the House.

*Ordered*, That embargoed copies of the Report be made available (Standing Order No. 134).

## **Adjournment**

Adjourned till Wednesday 19 July 2023 at 9.15 am

## Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

### Wednesday 5 January 2022

**Tony Wilson**, Director, Institute for Employment Studies; **Richard Hughes**, Chairman, Office for Budget Responsibility; **Hannah Slaughter**, Economist, Resolution Foundation; **Sam Avanzo Windett**, Deputy Director, Learning and Work Institute

[Q1–40](#)

### Wednesday 26 October 2022

**Jonathan Cribb**, Associate Director, Institute for Fiscal Studies (IFS); **Louise Murphy**, Economist, The Resolution Foundation

[Q41–72](#)

**Stephen Evans**, Chief Executive, Learning and Work Institute; **Ben Harrison**, Director, The Work Foundation; **Dr Eleanor Carter**, Research Director, Government Outcomes Lab, Blavatnik School of Government, University of Oxford; **Tony Wilson**, Institute Director, Institute for Employment Studies (IES)

[Q73–95](#)

### Wednesday 16 November 2022

**Richard Rigby**, Head of Policy & Public Affairs, The Prince's Trust; **Barry Fletcher**, Chief Executive, Career Connect; **Billy Harding**, Policy and Research Manager, Centrepont

[Q96–128](#)

**Professor Kim Hoque**, Founder, Disability@Work; **Dr Jenny Ceolta-Smith**, Member (Occupational Therapist and Researcher), Long Covid Support and Long Covid Work; **Jane Hunt**, Chair, Association of Disabled Professionals; **James Taylor**, Executive Director of Strategy, Impact and Social Change, Scope

[Q129–151](#)

### Wednesday 25 January 2023

**Dr Shriti Pattani**, President, Society of Occupational Medicine; **Professor Kevin Bampton**, Chief Executive Officer, British Occupational Hygiene Society; **Luke Price**, Senior Research and Policy Manager, Work, The Centre for Ageing Better; **Peter Murphy**, Director, Wise Age

[Q152–184](#)

**Graham Whitham**, Chief Executive Officer, Greater Manchester Poverty Action; **Councillor Kieron Williams**, Chair, Central London Forward; **Councillor Toby Savage**, Vice Chairman of the City Regions Board, Local Government Association

[Q185–216](#)

### Wednesday 8 February 2023

**Rhodri Thomas**, Managing Director, Reed in Partnership; **Elizabeth Taylor**, Chief Executive, The Employment Related Services Association (ERSA); **Richard Clifton**, Managing Director of Employability, Shaw Trust; **Fiona Monahan**, Chief Executive, Ingeus

[Q217–256](#)

**Rosie Ginday**, CEO and Founder, Miss Macaroon; **Liz Sewell**, Director, Get Ready for Work (GRoW); **Graham Parry**, Director of Youth, Employment & Skills, Groundwork

[Q257–281](#)

**Wednesday 15 March 2023**

**Professor Dan Finn**, Emeritus Professor of Social Inclusion, University of Portsmouth; **Dr Katy Jones**, Research Fellow, Manchester Metropolitan University

[Q282–337](#)**Wednesday 19 April 2023**

**Alex Till**, Chairman, National Enterprise Network; **David Hale**, Head of Public Affairs, Federation of Small Businesses; **Matt Dooley**, Chief Operating Officer, Momentic Limited; **Jonny Briggs**, Diversity, Inclusion & Resourcing Director, Aviva

[Q338–385](#)**Wednesday 3 May 2023**

**Guy Opperman MP**, Minister for Employment, Department for Work and Pensions; **Tom Pursglove MP**, Minister for Disabled People, Health and Work, Department for Work and Pensions; **Katie Farrington**, Director General for Disability, Health and Pensions, Department for Work and Pensions; **Sophie Dean**, Director General for Labour Market Policy and Implementation, Department for Work and Pensions

[Q386–474](#)

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## Published written evidence

The following written evidence was received and can be viewed on the [inquiry publications page](#) of the Committee's website.

JES numbers are generated by the evidence processing system and so may not be complete.

- 1 Ambitious about Autism ([JES0053](#))
- 2 Aspire Charity ([JES0005](#))
- 3 Association of British Insurers ([JES0047](#))
- 4 Association of Colleges ([JES0058](#))
- 5 Association of Disabled Professionals ([JES0074](#)) and ([JES0062](#))
- 6 Barnardo's ([JES0064](#))
- 7 Belina Grow ([JES0020](#))
- 8 Boots ([JES0084](#))
- 9 Bright Blue ([JES0009](#))
- 10 British Occupational Hygiene Society ([JES0078](#)) and ([JES0001](#))
- 11 Career Connect ([JES0051](#))
- 12 Careermat Ltd ([JES0046](#))
- 13 Carers UK ([JES0056](#))
- 14 Central London Forward ([JES0076](#)) and ([JES0017](#))
- 15 Centre for Ageing Better ([JES0079](#)) and ([JES0022](#))
- 16 Centre for Cities ([JES0082](#))
- 17 Centre for Public Data and John Penrose MP ([JES0068](#))
- 18 Centrepont ([JES0011](#))
- 19 Chesterton-Plater, John ([JES0080](#))
- 20 Child Poverty Action Group ([JES0037](#))
- 21 Communities that Work; and Communities that Work Membership ([JES0018](#))
- 22 Department for Work and Pensions ([JES0087](#)) and ([JES0066](#))
- 23 Disability@Work ([JES0072](#)) and ([JES0031](#))
- 24 Doern, Dr Rachel (Reader in Entrepreneurship, Institute for Management Studies, Goldsmiths, University of London) ([JES0008](#))
- 25 Employment Related Services Association (ERSA) ([JES0060](#))
- 26 Etherington, Professor David (Professor of Local and Regional Economic Development, Staffordshire University) ([JES0036](#))
- 27 FIRST Face to Face LTD t/a FIRST ([JES0027](#))
- 28 Federation of Small Businesses ([JES0019](#))
- 29 Gingerbread, ([JES0085](#))
- 30 Gortz, Professor Christoph (Professor of Macroeconomics, University of Birmingham); Koirala, Dr Santosh (Associate Professor of Finance, University of Birmingham); and McGowan, Professor Danny (Professor of Finance, University of Birmingham) ([JES0040](#))

- 31 Government Outcomes Lab, Blavatnik School of Government, University of Oxford ([JES0071](#)) and ([JES0057](#))
- 32 Greater Manchester Combined Authority ([JES0049](#))
- 33 Greater Manchester Poverty Action ([JES0010](#))
- 34 Groundwork UK ([JES0035](#))
- 35 Institute for Fiscal Studies (IFS) ([JES0069](#))
- 36 Jones, Dr Katy (Research Fellow, Manchester Metropolitan University) and Carson, Dr Calum (Senior Research Assistant, Manchester Metropolitan University) ([JES0032](#))
- 37 Karbon Homes ([JES0063](#))
- 38 Learning and Work Institute ([JES0028](#))
- 39 Lloyds Banking Group ([JES0086](#))
- 40 London Councils ([JES0041](#))
- 41 Long Covid Support and Long Covid Work ([JES0077](#)) and ([JES0065](#))
- 42 MS Society ([JES0023](#))
- 43 Make UK ([JES0055](#))
- 44 Miss Macaroon C.I.C. Ltd ([JES0003](#))
- 45 Momentic Limited ([JES0015](#))
- 46 Murphy, Peter (Trustee Director, Wise Age) ([JES0081](#))
- 47 North East Enterprise Agency Ltd (NEEAL) ([JES0004](#))
- 48 North of Tyne Combined Authority ([JES0043](#))
- 49 Office for National Statistics ([JES0042](#))
- 50 PCS ([JES0045](#))
- 51 Prince's Trust ([JES0073](#))
- 52 Recro Consulting ([JES0061](#))
- 53 Reed in Partnership ([JES0039](#))
- 54 Resolution Foundation ([JES0070](#))
- 55 Reuschke, Dr Darja (Associate Professor, University of Southampton); and Houston, Professor Donald (University Professor, University of Portsmouth) ([JES0059](#))
- 56 Society of Occupational Medicine ([JES0006](#))
- 57 Scope ([JES0050](#))
- 58 Sense ([JES0054](#))
- 59 Shaw Trust ([JES0012](#))
- 60 SkillLab BV ([JES0025](#))
- 61 Sport and Activity Professionals ([JES0007](#))
- 62 St Mungo's ([JES0013](#))
- 63 Stripy Lightbulb CIC ([JES0075](#))
- 64 Tees Valley Combined Authority ([JES0044](#))
- 65 The Career Development Institution ([JES0021](#))
- 66 The Local Government Association ([JES0052](#))



- 67 The Prince's Trust ([JES0024](#))
- 68 The Royal National Institute of Blind People (RNIB) ([JES0026](#))
- 69 The Salvation Army ([JES0034](#))
- 70 The Work Foundation ([JES0048](#))
- 71 Trades Union Congress ([JES0030](#))
- 72 Wired Differently ([JES0067](#))
- 73 Youth Employment UK ([JES0016](#))
- 74 Youth Futures Foundation ([JES0083](#))
- 75 Wise Age ([JES0033](#))

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# List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the [publications page](#) of the Committee's website.

## Session 2022–23

Number	Title	Reference
1st	The appointment of Dominic Harris as the Pensions Ombudsman and the Pension Protection Fund Ombudsman	HC 465
2nd	The cost of living	HC 129
3rd	Protecting pension savers – five years on from the pension freedoms: Saving for later life	HC 126
4th	Universal Credit and childcare costs	HC 127
5th	Health assessments for benefits	HC 128
6th	Children in poverty: Child Maintenance Service	HC 272
7th	Defined benefit pensions with Liability Driven Investments	HC 826
1st Special	Children in poverty: No recourse to public funds: Government Response	HC 328
2nd Special	The Health and Safety Executive's approach to asbestos management: Government Response to the Committee's Sixth Report of Session 2021–22	HC 633
3rd Special	The cost of living: Government Response to the Committee's Second Report of Session 2022–23	HC 671
4th Special	Protecting pension savers—five years on from the pension freedoms: Saving for later life: Government, Financial Conduct Authority and Money and Pensions Service Responses to the Committee's Third Report of Session 2022–23	HC 1057
5th Special	Universal Credit and childcare costs: Government Response to the Committee's Fourth Report of Session 2022–23	HC 1266
6th Special	Health assessments for benefits: Government response to Committee's Fifth Report of Session 2022–23	HC 1558
7th Special	Children in poverty: Child Maintenance Service: Government Response to the Committee's Sixth Report	HC 1675

## Session 2021–22

Number	Title	Reference
1st	DWP's preparations for changes in the world of work	HC 216
2nd	Disability employment gap	HC 189
3rd	Children in poverty: Measurement and targets	HC 188

Number	Title	Reference
4th	Pension stewardship and COP26	HC 238
5th	Protecting pension savers—five years on from the Pension Freedoms: Accessing pension savings	HC 237
6th	The Health and Safety Executive's approach to asbestos management	HC 560
7th	Children in poverty: No recourse to public funds	HC 603

### Session 2019–21

Number	Title	Reference
1st	DWP's response to the coronavirus outbreak	HC 178
2nd	The appointment of Dr Stephen Brien as the Chair of the Social Security Advisory Committee	HC 733
3rd	Universal Credit: the wait for a first payment	HC 204
4th	The temporary increase in Universal Credit and Working Tax Credit	HC 1193
5th	Protecting pension savers—five years on from the pension freedoms: Pension scams	HC 648
6th	The appointment of Sarah Smart as Chair of the Pensions Regulator	HC 1358

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