

Economic Development and Transport Committee

Date: Thurs 22 January 04
Time: 2.00pm to 4.00pm
Venue: National Assembly for Wales, Cardiff Bay
Title: Review of Economic Activity - Presentation by Jobcentre Plus, Wales

Issue

1. To update the Committee on Jobcentre Plus work with economically inactive people in Wales.

Background

2. Jobcentre Plus in Wales helps around 105,000 unemployed customers to enter jobs each year; 42,000 of which are from those thought to be at a disadvantage in competing for jobs because they are long-term unemployed, or on New Deal, or Lone Parents. Around 7,000 job entries will be from people who are sick or disabled claiming Incapacity Benefit.

3. This 7,000 job entry represents around 18% of the UK total of job entries from this client group, although Wales only has around 8% of the UK Incapacity Benefit recipients.

4. Currently in Wales there are around 44,000 people in receipt of Jobseeker's Allowance – a benefit for which the recipients must be actively seeking work. Another 350,000 people are in receipt of Incapacity Benefit, Income Support or other "inactive" benefits, for which recipients do not have to be actively seeking to return to work.

5. This "stock" of inactive benefit recipients is not confined to a few locations. The 8 Jobcentre Plus Districts in Wales have about 40,000 inactive benefit clients each, with a range between 27,000 in North West Wales and Powys, to 57,000 in Bridgend and Rhondda Cynon Taff.

6. In terms of actual numbers, 16 of the top 18 wards with the largest number of inactive benefit clients are in Swansea Bay (6 wards) and Cardiff and the Vale (10 wards). However, in terms of the highest percentage rate of inactivity, the Eastern Valleys, at 33%, has the highest percentage rate of inactivity per working age population.

Jobcentre Plus Response

7. Since the establishment of Jobcentre Plus in April 2002, which brought together the previous legacy Agencies of the Employment Service and Benefits Agency, we have been extending our support beyond the traditional Jobseeker Allowance recipients into all benefit recipients of working age.

8. We have done this in a number of initiatives designed to bring together the provision and services previously offered by the separate Agencies. Initiatives include:-

- * raising awareness and promoting Jobcentre Plus services to inactive benefit customers;
- * offering voluntary Work Focussed Interviews to help Inactive Benefit customers decide whether work is a reality for them;
- * financial advisers, set up to support JSA clients, extending their help to Inactive Benefit recipients;
- * providing jobsearch advice and support to Inactive Benefit customers;
- * briefings for GPs about the support offered by Jobcentre Plus to sick and disabled patients;
- * making Inactive Benefit customers more aware of the New Deal for Disabled Persons provision.

9. Jobcentre Plus has also developed a number of pilots to test new ways of engaging effectively with the Inactive Benefit customer groupings, eg:-

- * Action Teams, with 9 teams working in 30 wards throughout West and South Wales, offering personal adviser support and help to overcome barriers to work. Each year the Action Teams help more than 3,500 economically inactive clients back to work;
- * New Deal for Lone Parents, again with personal advisers offering jobsearch support and help with childcare arrangements, which places more than 16,000 lone parents a year into work.

10. It has also developed Welfare to Work pilots such as:-

- * Progress 2 Work - Bridgend, Rhondda Cynon Taff, which gives individual support to those on inactive benefits to overcome barriers to work, including health support in devising coping strategies to enable individuals manage their condition in a work situation;
- * A Worklessness pilot in Swansea Bay, designed to offer support to the individual and

their immediate family on overcoming the local factors that prevent them becoming economically active;

* Employment retention and advancement development pilot in Newport, which aims to help individuals access, retain and advance within the world of work.

Jobcentre Plus rollout

11. This scheme makes Work Focussed Interviews a mandatory requirement for new claimants of any working age benefit and seeks to engage as many as possible in a return to work initiative, alongside the establishment of their benefit entitlement.

12. Two Districts are currently converted to the scheme: Bridgend, Rhondda Cynon Taff South East Wales. Two more Districts are in the process of converting to the new arrangements, Cardiff and the Vale/North West Wales and Powys.

13. The current rollout plan is for all eight Districts in Wales to be converted during the next two years, but we are looking to accelerate this timescale.

Raising Economic Activity Pilots

14. Jobcentre Plus is working with the Welsh Assembly Government to utilise ESF funds to run three more pilots, similar to the Pathways to Work initiative in Bridgend, Rhondda Cynon Taff, in wards in Cardiff and the Vale, Eastern Valleys and Neath Port Talbot areas.

Strategy

15. While transport, care responsibilities for children and the elderly, and the lack of easily transferable skills, are all barriers to work, the general issue is one of eliminating the "worklessness" culture that exists in many deprived communities in Wales.

16. Jobcentre Plus seeks to influence both the supply and demand sides of local labour markets. On the supply side we raise the employability of individual jobseekers by addressing their generic work skills, such as confidence, motivation, response to training etc, and also their specific job skills by offering "sectoral routeways" connected to growth sectors such as retail, gas and water industries and construction.

17. Our work with local employers seeks to remove discrimination and improve access to jobs for our more disadvantaged customers. This entails us understanding the employer requirements more fully, but helping them to articulate these needs in ways which would reduce barriers to work for those people at a disadvantage in the local labour market. The support offered includes advice on recruitment practices, as well as employers' induction and retention policies.

18. In our experience, there are a range of issues that need to be overcome if we are to offer good quality, constructive, voluntary support that is relevant to the individual's circumstances:-

- * we need to convince people that we are offering a genuine routeway to work, not just creating barriers to benefit;
- * we have to re-assure people that they will see real, quantifiable improvements in how much better off they will be in work, not just financially, but socially and from a health perspective as well, and persuade them that work is a realistic prospect for them;
- * we need to address the culture of "worklessness", and the fear that, by even showing an interest in returning to work, let alone participating in some form of work preparation, their entitlement to benefit will be affected;
- * we need to be able to reassure people that if they are unable to continue in work they will be able to return quickly to benefit, and at the rate at which they left it.

19. We have learned that the best approach is to concentrate resources into a relatively small area, and to target specifically within that area. This avoids exciting demand we cannot satisfy, deploys our resources most effectively, and in this way stimulates local regeneration of the community.

20. We have also found that large scale Welfare to Work initiatives undertaken by any one Agency will not produce good results. We need to develop a considerable degree of partnership and joint working with others active in this area, and who have the experience and ability to deliver.

21. We need to set up effective partnerships that can align policy/strategies across the partnership, to integrate programmes and funding streams and to produce common, consistent, business aims and outputs.

22. As well as offering people routeways into work we need to support their retention and progression within the world of work to stop them returning to economic inactivity in the short-term. We need to give them skills and progression to enable them to have a more robust grip on the constantly changing labour market opportunities.

Roger Dinham
Head of Business Development,
JobCentre Plus Wales