

**ECONOMIC DEVELOPMENT AND TRANSPORT COMMITTEE**

<b>Date :</b>	28 April 2004
<b>Time :</b>	9:00 – 10.00
<b>Venue :</b>	Committee Room 1
<b>Title :</b>	Economic Inactivity – summary of consultation responses.

**Purpose of Paper**

To inform Members with the responses received in the Committee's consultation on Economic Inactivity.

Attached is a summary of the responses to the EDT Committee consultation on Economic Inactivity, compiled by the Members Research Service.

The individual consultation responses will shortly be available to Members on the Intranet and will be published as soon as possible on the Internet.

**Committee Secretariat**  
**22 April 2004**

## Economic Development and Transport Committee

### Policy Review: Labour Market Inactivity: Executive Summary of Consultation Responses

#### Main Themes

- ◆ Improving the collection of **statistical information** on inactivity to better indicate the degree to which people are able or willing to re-enter the labour market, and to provide more detailed information on the reasons behind inactivity.
- ◆ More **research** into the underlying reasons for inactivity, and for that research to be centrally collated.
- ◆ Policies tailored to **individuals and their communities**. Centrally driven programmes are considered to be less effective.
- ◆ Greater use of **ASPBs** in driving community based programmes.
- ◆ **Voluntary organisations** to provide training, support and work experience.
- ◆ Community projects to help **regenerate communities**, while building confidence and community networks. **Social enterprises** in particular to provide increased employment, wealth, and regeneration.
- ◆ **Intermediate Labour Markets** (ILMs) to provide real waged work experience, targeted at specific groups of the inactive. Projects can provide community regeneration and environmental benefits and there is scope for accessing European funding for ILM projects.
- ◆ Fewer employment opportunities for workers with **lower skills and qualifications**, and lower attainment among certain groups. Improving formal education and vocational training provision, and providing soft skills training.
- ◆ A cheap, reliable and comprehensive **public transport network**.
- ◆ The combination of a lack of affordable **childcare**, and the current tax-benefit regime which prevents parents from re-entering the labour market.
- ◆ A shift to **preventative healthcare**; greater use of **rehabilitation** treatments; the role of **GPs** in the encouragement and rehabilitation of the inactive; and the potential role of **occupational health services**.
- ◆ The barriers in returning to work (fear of losing income and health support services, prejudice, development of mental health problems) faced by the **disabled**.
- ◆ Understanding the problems faced by those with **mental health** issues.
- ◆ Specific barriers faced by **Carers** (their responsibilities and the lack of replacement services).
- ◆ The **benefits trap**.
- ◆ The effectiveness of **government agencies**. **Co-ordinating** their roles and programmes. Greater **co-ordination** with the UK government.
- ◆ General **information and support** for the inactive (guidance and counselling).
- ◆ Specific problems faced by the **minority ethnic population** in Wales.
- ◆ Low demand and seasonality in the **tourism and agriculture** sectors.

## **1. Statistical Evidence and Research**

- ◆ Data collected to measure inactivity often fails to measure its true extent.
- ◆ Data does not provide an adequate distinction between the inactive who would not work under almost any condition and those who would like to work if the opportunities and conditions were right.
- ◆ Some reasons for inactivity can be considered to be positive investment activities (such as childcare and full time education).
- ◆ Some activities undertaken by the inactive (ranging from grey market activities to voluntary work) are not adequately assessed in understanding the extent of activity, or value to the economy, that the inactive contribute.
- ◆ The range of statistical evidence collected on the inactive is too ambiguous to provide any real insight into barriers to employment.
- ◆ There is need for a breadth of further research into inactivity.
- ◆ There is a need for the exploration and dissemination of best practice.
- ◆ It is not possible to find a comprehensive source of research work conducted within Wales.

## **2. Local and Community Factors**

- ◆ A large number of respondents considered that there was an important local and community dimension to inactivity.
- ◆ Local conditions are seen to contribute to local patterns of economic inactivity.
- ◆ Policies need to be tailored to individuals and their communities/environments.
- ◆ There are many opportunities for communities to be involved in bringing the inactive back into the labour market.
- ◆ There is scope for employment opportunities in disadvantaged communities, and demand by individuals for worthwhile employment.
- ◆ Reducing inactivity in high inactivity areas will require direct investment.

### **Local Solutions to Local Problems**

- ◆ Local solutions to local problems are better than centrally driven programmes.
- ◆ Community Based Capacity Building can provide opportunities for individuals to gain confidence and learn a wide range of skills and can offer a gradual shift for individuals from being inactive to being active.
- ◆ Programmes should, along with government agencies (i.e. Careers Wales, Job Centre Plus), be used to help equip residents with the necessary skills, contacts and attitudes to re-enter the workplace.
- ◆ Complementary agencies need to work together more effectively.
- ◆ Deprived areas are often seen to exist next to relatively prosperous areas.
- ◆ Community based programmes could be placed within the remits of Assembly Sponsored Public Bodies (ASPBs).

### **Communities First and European Funding**

- ◆ Communities First partnerships may not be best placed and equipped to tackle inactivity.



- ◆ Communities First and European funding programmes are considered to be insufficiently focused.
- ◆ Focusing on specific locations can help to focus resources, but may also lead to the neglect of other areas and individuals.

### **Volunteering**

- ◆ Volunteering should be embraced as a cost effective mechanism which compliments and enhances other sectors.
- ◆ Many voluntary organisations have experience of delivering government-training programmes and are well placed to advise and support unemployed volunteers back into paid work.
- ◆ Volunteering provides an opportunity to gain experience and try different activities.
- ◆ Volunteer training provides staff with the skills and knowledge for employment in other fields.
- ◆ Volunteering activity offers participants the opportunity to build confidence and develop skills, which can offer a step back into employment.
- ◆ Volunteering projects can provide structure to an otherwise empty day, opportunities to develop social skills, and make useful contacts.
- ◆ Projects are often created to invest in human capital (i.e. parentcraft).
- ◆ Projects can be used to focus on the regeneration of individuals (i.e. dealing with youth exclusion and drug addiction).
- ◆ The voluntary sector is an important part of the economy (a figure of £630m per annum was quoted).
- ◆ This sector needs to be supported by training, advice and mentoring, possibly through agencies such as ELWa and the WDA.
- ◆ Benefit officers may not be fully aware of the rules regarding voluntary work.
- ◆ Existing schemes should be extended, and new schemes created to further support projects specifically targeting economically inactive people as volunteers.

### **Community Regeneration**

- ◆ There is a perception of a divide with community regeneration (a 'poor them' mentality).
- ◆ Many past initiatives have treated physical, economic and social regeneration as separate and unconnected activities, to be carried out by agencies not with, but on behalf of, communities, in conflict with a more recent 'inclusive' approach.
- ◆ Community involvement can build confidence; enable people to develop new skills, or maintain existing skills; and make new links and contacts.
- ◆ Community involvement can create "brokerage" links between employment and training opportunities, and local people.
- ◆ Community involvement can create community projects and enterprise businesses that remove barriers to economic activity, and provide direct opportunities for employment and training.

### **Social Enterprise**

- ◆ Social enterprises are a mechanism for supporting individuals into work.



- ◆ Social enterprises provide benefits to the wider community through increased employment, wealth and regeneration.
- ◆ Social enterprises have explicit social aims as well as economic goals, hence can provide a more supportive environment to the economically inactive.
- ◆ Locally based social enterprises, can offer work-based training opportunities.

### **3. Intermediate Labour Markets (ILMs)**

- ◆ ILM business models provide demand-led opportunities for economically inactive people to join the workforce.
- ◆ Support can provide work experience, structured job search support and personal development.
- ◆ ILMs can link in with other agencies to provide community regeneration.
- ◆ ILMs can be used to target the most disadvantaged.
- ◆ ILMs can build bridges between the inactive and employers.
- ◆ ILMs can provide a source of training and education, and offer a broad spectrum of opportunities and transferable skills for people.
- ◆ ILMs provide waged work development.
- ◆ European funds can be used to fund projects.
- ◆ Clients can be supported during and after the programmes.
- ◆ Development of the programme is often hindered by lack of funding.
- ◆ Remit letters to ELWa and the WDA should include the provision to ensure that funding from these bodies can be directed to the development of Labour Market Intermediaries (LMIs).

### **4. Education and Training (Skills)**

#### **Perceptions**

- ◆ There are fewer opportunities for workers with lower skills and qualifications and there is a need to reduce the skills gap in Wales.
- ◆ Certain minority groups persistently under-attain in school and have lower basic skills levels.
- ◆ There is relatively poor attainment of educational and vocational qualifications by disabled people.
- ◆ Training providers are not geared to understanding or addressing the needs of those furthest from the Labour Market.
- ◆ ELWa target groups and programmes need to be reassessed.
- ◆ Negative learning experience leads to a perpetual cycle of negative experience and disadvantage.
- ◆ Negative social factors impact on learning behaviours.

#### **Formal Education**

- ◆ Colleges should focus more on the needs of their students.
- ◆ Colleges should treat students like adults.
- ◆ There should be more support in the transition from education into work.
- ◆ There needs to be more information available before taking GCSE options.
- ◆ Schools should offer vocational as well as academic courses.



## **Vocational and Adult Education**

- ◆ Positive action training schemes and projects should be expanded.
- ◆ There should be more training packages offered to adults.
- ◆ Training packages should be offered to employers.
- ◆ There is a need for more on the job training.
- ◆ There is a need to expand work experience programmes, including programmes for the self employed.
- ◆ There needs to be a comprehensive main-streaming and prioritisation of work with inactive people.
- ◆ Retraining should be focused on those seeking work but without the right skills.
- ◆ The modern apprenticeship programme needs to be expanded, and recruitment criteria reassessed.

## **Soft Skills**

- ◆ Preparation for work in work related skills, social skills and confidence building is essential.
- ◆ More team building programmes are needed.

## **5. Transport**

- ◆ Physical distance from the labour market is a social exclusion problem that obstructs access to employment opportunities, particularly where opportunities require people to work antisocial hours.
- ◆ A cheap and reliable integrated transport network is needed. A poor public transport network forces people to use roads.
- ◆ Public transport use is particularly problematic for disabled travellers.
- ◆ Cheaper public/non-private transport would reduce travel costs and make some lower paid jobs more attractive.
- ◆ Extending free bus passes to rail services could increase demand for those services and lead to a greater supply of services.
- ◆ The quality of services and facilities needs to be high enough to tempt people from using their own cars.
- ◆ Congestion needs to be tackled to promote public transport use.
- ◆ Goods train lines should be adapted to take passenger trains.
- ◆ The inactive should be given specific assistance with transport costs (subsidised travel, help with driving test costs and driving licences).
- ◆ Investment is needed in the transport infrastructure.

## **6. Childcare**

### **Main Problems**

- ◆ The tax-benefit system.
- ◆ A lack of affordable child care.
- ◆ Poor childcare facilities.
- ◆ Not enough local jobs that pay enough to make work worthwhile.



- ◆ Unregistered (illegal) childminding.
- ◆ Poor pay and job profile of childminding.

### **Main recommendations**

- ◆ Social enterprises could offer childcare provision to provide both childcare, and work opportunities for the inactive.
- ◆ Investment in existing initiatives (such as New Deal and Sure Start) has grown, but further investment is needed.
- ◆ Initiatives need to be supported by long term funding, and extended to less deprived areas.
- ◆ The benefits of childminding need to be promoted. Childminding can be an attractive self-employment opportunity, offering flexible working hours, transferable skills, and training prospects without the need for prior qualifications.
- ◆ The current tax and benefit regime needs to be revisited to assess whether or not it supports a return to work for parents.

### **7. Healthcare**

- ◆ GPs should be encouraged to play a more pro-active role in encouraging people to rehabilitate and take up employment and training opportunities.
- ◆ The health strategy should be shifted to preventative health care (education) programmes.
- ◆ Individuals with existing conditions should have access to the necessary treatment that would enable them to better contribute to the economy.
- ◆ Historic under-investment in UK healthcare has resulted in long waits for treatment. Recent investment should help to alleviate this.
- ◆ Rehabilitation is used widely elsewhere in the world to facilitate an injured person's return to work. There is a need to improve healthcare provision to optimise the opportunities of returning to the workplace.
- ◆ The benefits of, and funding for, occupational health services need to be considered.

### **8. Sickness and Disability**

#### **Perceptions**

- ◆ Many older workers were encouraged into sickness and disability benefits or to take early retirement to prevent swelling the unemployment totals.
- ◆ There could be major gains in concentrating more resources on the disabled.

#### **Disability**

- ◆ People risk losing social services support and, in some cases, housing by taking jobs.
- ◆ Relocating for employment can be difficult as organising health and independent living support in the new location can be difficult.
- ◆ Workplace discrimination and prejudice has been experienced.
- ◆ Many who become inactive through physical impairments also develop mental health problems, and increasing numbers of new IB claimants have mental health problems from the outset.



- ◆ The low wage, low skill economy in parts of Wales is considered to be a problem.
- ◆ A relatively low wage economy makes the transition from 'incapacity related' benefits into work a risky process.
- ◆ Most Government initiatives have focused on new benefits claimants rather than to increase work readiness amongst long-term IB claimants.
- ◆ Job Centre Plus Personal Capability Assessments (PCAs) can be poorly conducted.
- ◆ Governments need to act to reduce prejudice towards employment of the disabled and increase their self-esteem and work readiness.
- ◆ Those unable to work through disability often still contribute to society (such as in voluntary work, informal care and community influence).
- ◆ Successful pilots aimed at engaging disabled people with work should be extended to other areas and individuals.
- ◆ There should be continued support for those disabled re-entering the workplace.
- ◆ There is a lack of continuity in support regimes. A strategy of providing technical support in the home for disabled people wishing to engage in the world of work should be devised.
- ◆ The Committee should bring to the attention of the Minister for Education and Lifelong Learning the matter that attainment of qualifications by disabled young people is still unacceptably low.
- ◆ The Committee should call on WAG to ensure that disabled people and employers in Wales are aware of their duties under the Disability Discrimination Act.

### **Specific Recommendations for Mental Health Issues**

- ◆ Many clients are depressed or at the low end of stability, but it would not take much to get them back into work if the right conditions and suitable support were present.
- ◆ Greater awareness is needed of the needs of individuals with mental health issues and the effects of stigmatisation and discrimination.
- ◆ Advisers from all agencies need to be able to form a trusting relationship with clients that are suffering from mental ill health.
- ◆ Cognitive based therapy should be made available for really long-term unemployed.
- ◆ Community of interest businesses or ILMs are needed to help people back into work.

### **9. Carers**

- ◆ Many carers are unable to combine paid employment with the responsibilities they carry.
- ◆ Many carers choose to work reduced hours or forego taking on more demanding jobs.
- ◆ The stress and social isolation that result from a substantial caring role makes carers lose confidence in their own abilities.
- ◆ Carer's obligations prevent them from accessing the training needed to re-enter the labour market.
- ◆ The "poverty trap" affects the very high percentage of carers in Wales that are dependent on benefits, especially when considering the costs of replacement care.
- ◆ There is a shortage of replacement care services.
- ◆ The government in Wales needs to implement a pledge to abolish charges for services to disabled people.
- ◆ There needs to be significant and sustained investment in increasing the availability of high quality, flexible, appropriate and affordable care services.



## **10. Tax, Benefits and Income**

- ◆ The benefits trap needs to be understood, and customised solutions applied.
- ◆ The benefits system needs to be reformed so that people can have the safety net while trying new ways of working and upgrading skills.
- ◆ The benefits trap is particularly relevant for people with physical and mental disabilities who are more likely to stay at lower rates of pay in future years.
- ◆ Income tax personal allowances should be raised to make work pay.
- ◆ The minimum wage is not high enough to tempt some people back into the workplace.

## **11. Government Agencies and Strategies**

- ◆ The suitability of the JobCentrePlus (JC+) model in ascertaining and providing for the short and long-term needs of the inactive should be assessed.
- ◆ Jobcentre opening hours should be extended.
- ◆ The opportunity for engaging SMEs in the employment of the inactive should be considered?
- ◆ WAG should liaise with the UK Government to ensure that major new investments in Labour Market programmes are targeted on disabled and lone parents, and on delivering WAGs childcare strategy.
- ◆ Greater co-ordination between government bodies is needed, and in particular with the UK Government.
- ◆ The Assembly should force inactivity to be at front of priorities for local authorities and their partners.

## **12. Information and Support**

- ◆ The inactive need specific learning provision to assess the amount of support they need, offer guidance and counselling, and provide personal development and support.
- ◆ The long term inactive need to be enabled to understand how the world of work has changed, and what they need to do to adapt to the changed labour market.
- ◆ There is a need for more general information and support.
- ◆ There is a need to improve individuals abilities to manage their financial situation, and increase awareness of their employment rights.
- ◆ The inactive need easier and cheaper Internet access and access to computers.
- ◆ Concerns have been raised regarding the Jobcentre Plus systems of dealing with clients who are considering work as an option and also advisers' awareness of the circumstances and support needs of clients when out of work.
- ◆ There should be a wide strategic role for the WAG and National Assembly for Wales to engage with employment advice agencies.

## **13. Ethnicity**

- ◆ A number of factors are considered to influence economic activity rates amongst BME communities including fewer skills and lower educational achievement; spatial factors; and poorer health.
- ◆ Considering the small number of inactive non-white ethnic minorities in Wales, any response needs to be proportional and local.



- ◆ There is a need to review the effectiveness of Objective 1-3 programmes related to inactivity, especially among ethnic minorities.
- ◆ High housing costs in Cardiff reduce the incentive for some to look for work.
- ◆ Community development work needs to be carried out in a way that is culturally acceptable to communities.
- ◆ The NCMA runs a multi-cultural project in Cardiff, which aims to address the lower levels of economic activity found in non-white ethnic minority communities.
- ◆ If, despite new programmes, new data sources reveal persisting and disproportionate attainment gaps between ethnic groups, the Welsh Assembly Government should factor ethnicity into education floor targets.
- ◆ Where differential achievement between ethnic minority groups is of serious concern, Estyn should identify this as a weakness of the school in its summary report to parents.
- ◆ There should be systematic sharing of good practice based on evidence of what works in successful schools with strong records of tackling ethnic under-attainment and discrimination.
- ◆ There should be a focusing of work with particular ethnic minority groups that have significant low attainment problems by ensuring that schools' parental engagement processes take ethnic specific factors into account.

#### **14. Agriculture and Tourism**

- ◆ Programmes are needed to lengthen the tourism season and diversify the tourism trade.
- ◆ Tourism provides opportunities for entry level jobs, the development of new skills for individuals with none, and the development of transferable skills.
- ◆ Local procurement needs to be encouraged to increase demand for agricultural goods.

#### **15. Other Factors**

##### **◆ Personal Choice**

For some inactive working age people a job is neither desired nor deliverable.

##### **◆ Age**

People feel 'left on shelf' from mid forties onwards and there are a lack of jobs that appeal to the young.

##### **◆ Personal Aspects**

A criminal record; drug and Alcohol Abuse; pregnancy and early parenthood; sexuality; and a lack of aspirations are seen as personal factors that impact on an ability to engage with the labour market.

##### **◆ Homeworking**

Opportunities to work from home.



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### ◆ **Public Procurement**

Support in implementing public procurement initiatives.

### ◆ **Working Conditions**

Poor working conditions and environments.

### ◆ **Contract working**

Employers use agencies to fill vacancies.

### **16. Further studies and work to note**



## **Economic Development and Transport Committee**

### **Policy Review: Labour Market Inactivity: Summary of Consultation Responses**

#### **1. Statistical Evidence and Research**

##### **Statistics**

##### **Main points**

- ◆ Data collected to measure inactivity often fails to measure its true extent.
- ◆ Data does not provide an adequate distinction between the inactive who would not work under almost any condition and those who would like to work if the opportunities and conditions were right.
- ◆ Some reasons for inactivity can be considered to be positive investment activities (such as childcare and full time education).
- ◆ Some activities undertaken by the inactive (ranging from grey market activities to voluntary work) are not adequately assessed in understanding the extent of activity, or value to the economy, that the inactive contribute.
- ◆ The range of statistical evidence collected on the inactive is too ambiguous to provide any real insight into barriers to employment.

Specifically, issues that were raised include:

- The impact that the black and grey market has on activity.
- The impact of those who take an active decision not to work through choice or for personal reasons (i.e. those who would not wish for others to care for their dependants; farming families who are registered as being out of work but are in reality working on the family farm and may one day inherit the business).
- Differentiating between inactivity which might be considered to be desirable (such as education and child care, often seen as an investment activity), or undesirable (such as long term sickness and unemployment).
- Economic indicators are seen to fail to recognise often 'informal' contributions to society (i.e. by disabled people in managing households or undertaking voluntary work; the costs that 'carers' would cost society if those activities had to be provided by the state; the value of farming families involved in unpaid work on the family farm). Efforts should be made to ensure that the contributions of such sectors of the inactive are recognised, valued and supported.
- Current statistics on the reasons for inactivity are seen to be ambiguous or unreliable. It was suggested that an enhanced labour force survey or Job Centre Plus initiative could improve the quality of information collected and make such statistics more meaningful. Such information could include:
  - ◆ Social influences.
  - ◆ Attitudes to benefits.
  - ◆ Attitudes among men to service sector work.



- ◆ The proportion that are not looking for paid work and how many would if a suitable position was available.
- ◆ The obstacles to those who would take paid work if those obstacles weren't in place.
- ◆ The willingness to undertake part-time work.

- The TUC suggest using a 'want work rate' for unemployment, which includes all those who want a job (Unemployed + inactive who want to work), and recommend an activity strategy targeted on the inactive working age people who say they want a job. Suggested targets include a specific overall employment figure of at least 76% to be achieved by 2010, a lone parent employment rate of 70% and disabled rate of 60% by 2014. WAG should also consider the value of also setting more specific and longer term targets for older workers, ethnic minorities, and the less qualified.

- Data collected by, and within, individual organisations should be collected in consistent formats.

## **Research**

### **Main points**

- ◆ There is need for a breadth of further research into inactivity.
- ◆ There is a need for the exploration and dissemination of best practice.
- ◆ It is not possible to find a comprehensive source of research work conducted within Wales.

Additional research was suggested in the following areas:

- Why rates of Incapacity Benefit Claimants are diverse, not just within Wales, but also in regions of England with similar industrial characteristics.

- Localised research to understand local problems.

- The impact of bureaucracy; any other needs or measures to improve the appearance of official figures; and the benefits system itself on levels of inactivity.

- The cause and effect of the dependency culture.

- The extent to which different ethnic minority parents know the basic structure of the education system and how to "work" it (through an understanding of school interaction, league tables, school assessments, streaming etc).

- Whether or not there are still signs of ethnic minority pupils being placed in lower sets than their prior attainment would suggest was just.

- The finding and dissemination of good practice, the use of benchmarking groups, pilot actions and partnering arrangements within the UK and with European regions.

- In order to provide a central source of research work, a system to register each piece of research work carried out within Wales should be set up, in particular to prevent duplication of effort.



## **2. Local and Community Factors**

### **Main points**

- ◆ A large number of respondents considered that there was an important local and community dimension to inactivity.
- ◆ Local conditions are seen to contribute to local patterns of economic inactivity.
- ◆ Policies need to be tailored to individuals and their communities/environments.
- ◆ There are many opportunities for communities to be involved in bringing the inactive back into the labour market.
- ◆ There is scope for employment opportunities in disadvantaged communities, and demand by individuals for worthwhile employment.
- ◆ Reducing inactivity in high inactivity areas will require direct investment.

A number of general views expressed were that:

- Social problems associated with disadvantaged communities may impact on people's capacity to focus on employment.
- Actions to move people from inactivity to employment need to integrate with other actions aimed at dealing with family breakdown and fragmentation, e.g. in the areas of crime reduction, failing schools, housing renewal etc.
- The most disadvantaged communities believe there is no work and are 'switched-off' learning. Ignorance and fear of learning is often due to past negative experience.
- It is unlikely that national or regional mainstream programmes alone could combat economic inactivity. Intensive levels of support tailored to the needs of the individual would be required. Policy makers need to adopt a strategy that is flexible enough to respond to the variability that exists, particularly in ethnic communities and hence need local rather than national initiatives.
- Jobs that people want to do are needed in the valleys, in services which could be provided by community, or small lifestyle, businesses. A lack of imagination, cronyism, and culture of non-risk taking with public bodies is seen to impact on the funding which could help provide this.
- Investment is needed in proximity to areas of high inactivity in order to create the job opportunities on which the reduction of inactivity will depend. There is a need for WAG to realise that a failure to address regional disparities will mean that inactivity rates will not decrease.

### **Local Solutions to Local Problems**

#### **Main points**

- ◆ Local solutions to local problems are better than centrally driven programmes.
- ◆ Community Based Capacity Building can provide opportunities for individuals to gain confidence and learn a wide range of skills and can offer a gradual shift for individuals from being inactive to being active.



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- ◆ Programmes should, along with government agencies (i.e. Careers Wales, Job Centre Plus), be used to help equip residents with the necessary skills, contacts and attitudes to re-enter the workplace.
- ◆ Complementary agencies need to work together more effectively.
- ◆ Deprived areas are often seen to exist next to relatively prosperous areas.
- ◆ Community based programmes could be placed within the remits of Assembly Sponsored Public Bodies (ASPBs).

Views expressed were that:

- Local solutions to local problems are better than centrally driven programmes.
- Communities First should be used to equip residents with the skills and attitudes necessary to move into activity, especially those on incapacity benefit. Communities First and Welfare to Work agencies should work together to provide real work experience and practical support on the residents home ground.
- There is a need to have local programmes that establish direct links between promoting activity amongst people and the jobs being created by public and private investment.
- Deprived areas are sometimes situated right next to areas of relative prosperity, and this phenomenon needs special attention. Local Job Centre Plus (JC+) projects are believed to have a positive effect in connecting people with work initiatives, though the lack of continuity (due to short-term funding) undermines the long term success of projects. Careers Wales and JC+ could play a greater part in community development.
- Effective partnership working between complementary partners is needed.
- Community Based Capacity Building provides opportunities for people to learn through experience, collectively to gain self-confidence and the ability to influence decisions that affect them. Community ventures can offer a gradual shift for individuals from being inactive to being active and help develop private sector venture skills and imagination.

Community Enterprise Wales (CEW) recommend:

- ◆ Develop sustainable base for community development.
- ◆ Prioritise funding to local priorities.
- ◆ Delivery from within the community.
- ◆ Extend awareness and opportunities for volunteering.
- ◆ Promote community enterprise.
- ◆ Develop effective system of communication and information dissemination.
- ◆ Improve networks.
- ◆ Develop sustainable training and development services.
- ◆ Increase the capacity of groups to offer training.
- ◆ Increase take up of employment related training programmes, leisure classes, and literacy and numeracy training.
- ◆ Extend opportunities and awareness for mentoring.
- ◆ Tackle marginalisation of disadvantage groups.
- ◆ Public service agencies to make decision making process more accessible and enable community enterprise development.



## Members' Research Service Gwasanaeth Ymchwil yr Aelodau

CEW believe that capacity building would require the effort of a number of agencies including:

- ◆ The National Assembly (Setting standards, accrediting providers, but not delivering),
- ◆ Local Authorities (Monitoring, with a role through community/regeneration officers, but not deliverers),
- ◆ Community/Voluntary sector (keep database of providers, can be deliverers, provide group support)
- ◆ Community groups (list their needs, engage who they feel can fulfil them, can be deliverers).
- ◆ A specific agency could provide cohesion.

In general, capacity building would require:

- ◆ A non-prescriptive, user-friendly 'trigger and identify' mechanism.
- ◆ Effective participation and support which provides tailored approach to capacity building.
- ◆ Capacity to build as challenges and tasks are set - rigid approaches can contain capacity.

- The WCVA recommends continuing and extending support for community projects that directly involve people in community activity that increases their skills, motivation and confidence; that help to broker links between local people and job and training opportunities; and that create community projects and enterprises that both remove barriers to economic activity, and provide direct opportunities for employment and training.

- The WCVA recommends ensuring that support for these types of actions are in the remit letters of relevant ASPBs.

### Communities First and European Funding

#### Main points

- ◆ Communities First partnerships may not be best placed and equipped to tackle inactivity.
- ◆ Communities First and European funding programmes are considered to be insufficiently focused.
- ◆ Focusing on specific locations can help to focus resources, but may also lead to the neglect of other areas and individuals.

Respondents reported that:

- The regeneration activities of Communities First, and how well prepared Communities First partnerships are in tackling inactivity.

- Objective One funding and Communities First programmes are considered to be looking at too wide a spread of activity. One size fits all policies do not work and there needs to be specific focus on specific inactive groups.



- Focusing on the worst areas will concentrate resources and help deploy them more effectively. However, a narrow concentration of effort on Communities First areas alone will ignore adjoining areas with similar inactivity problems.

## **Volunteering**

### **Main points**

- ◆ Volunteering should be embraced as a cost effective mechanism which compliments and enhances other sectors.
- ◆ Many voluntary organisations have experience of delivering government-training programmes and are well placed to advise and support unemployed volunteers back into paid work.
- ◆ Volunteering provides an opportunity to gain experience and try different activities.
- ◆ Volunteer training provides staff with the skills and knowledge for employment in other fields.
- ◆ Volunteering activity offers participants the opportunity to build confidence and develop skills, which can offer a step back into employment.
- ◆ Volunteering projects can provide structure to an otherwise empty day, opportunities to develop social skills, and make useful contacts.
- ◆ Projects are often created to invest in human capital (i.e. parentcraft).
- ◆ Projects can be used to focus on the regeneration of individuals (i.e. dealing with youth exclusion and drug addiction).
- ◆ The voluntary sector is an important part of the economy (a figure of £630m per annum was quoted).
- ◆ This sector needs to be supported by training, advice and mentoring, possibly through agencies such as ELWa and the WDA.
- ◆ Benefit officers may not be fully aware of the rules regarding voluntary work.
- ◆ Existing schemes should be extended, and new schemes created to further support projects specifically targeting economically inactive people as volunteers.

Issues that were raised include:

- It's important to recognise that 'voluntary' is not synonymous to 'untrained' or 'unprofessional' and should not be considered a zero rating; it should be embraced as a cost effective mechanism which compliments and enhances all other sectors.

- We should be encouraging and supporting volunteering in community regeneration initiatives.

- Many voluntary organisations have experience of delivering government-training programmes and are well placed to advise and support unemployed volunteers back into paid work. These organisations are very often the "frontline" and first contact point for individuals who are currently economically inactive.

- Volunteering provides an opportunity to experience real work situations, try out new occupations, and find job opportunities at the place where volunteering takes place.

- Volunteer training provides staff with the skills and knowledge for employment in other fields.



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- Getting involved in volunteering activity offers participants the opportunity to build confidence and develop skills, which can be a critical first step back into employment.
- The skills and experiences gained through voluntary action can equip a person for employment, as well as providing structure to an otherwise empty day, opportunities to develop social skills, and make useful contacts. i.e.:
  - ◆ Many church projects are created specifically to invest in human capital, e.g. mothers and toddlers groups, parentcraft classes, etc. Projects such as these play a key proactive role in national human capital investment.
  - ◆ There are church projects such as those working in the fields of youth exclusion and drug addiction that seek to regenerate damaged lives. Projects such as these play a key reactive role in national human capital investment.
- With an annual turnover of £630 million per annum, the voluntary sector is an important part of the economy.
- Adequate arrangements for the provision of training are essential and could be supported more strategically by economic regeneration agencies such as ELWa and the WDA in partnership with the WAG and its' statutory partners. The WCVA recommends providing support for those voluntary organisations that want to diversify their existing funding and activity or set up new social enterprises by ensuring that there are programmes of training, advice and mentoring.
- Whilst the benefit rules have changed to allow people to volunteer, there is still evidence that benefit officers do not understand the changes to the rules and often act as a barrier to claimants who wish to participate in voluntary or community activity.
- The WCVA recommends maintaining existing Assembly Government schemes to promote and support volunteering, and consider the scope to extend these further to support projects specifically targeting economically inactive people as volunteers.
- The WCVA recommends inviting the Department of Work and Pensions (DWP) to consider the scope for a programme to support projects targeting economically inactive people as volunteers.
- There is a potential role for many more voluntary organisations to contribute to the economic regeneration of Wales by:
  - ◆ Creating/sustaining/expanding micro-economic activities at a local level which are not dependant on global factors;
  - ◆ creating opportunities and 'stepping stone' activities for those who are currently economically inactive;
  - ◆ developing new ways of delivering community and public services.

### Community Regeneration

#### Main points

- ◆ There is a perception of a divide with community regeneration (a 'poor them' mentality).



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- ◆ Many past initiatives have treated physical, economic and social regeneration as separate and unconnected activities, to be carried out by agencies not with, but on behalf of, communities, in conflict with a more recent 'inclusive' approach.
- ◆ Community involvement can build confidence; enable people to develop new skills, or maintain existing skills; and make new links and contacts.
- ◆ Community involvement can create "brokerage" links between employment and training opportunities, and local people.
- ◆ Community involvement can create community projects and enterprise businesses that remove barriers to economic activity, and provide direct opportunities for employment and training.

Issues raised were:

- There is a 'philosophical' divide within community regeneration – ('poor them!').
- In the past, many of the initiatives to regenerate disadvantaged communities have treated physical, economic and social regeneration as separate and unconnected activities, which are to be carried out by agencies not with, but on behalf of, communities. It is now widely recognised that community regeneration will only be successful and sustainable where communities themselves, and their organisations, are active participants in the process.
- Community development and regeneration can help tackle economic activity in a number of ways:
  - ◆ Community development provides opportunities for people to get actively involved in their community. As with volunteering, community involvement can build confidence; enable people to develop new skills, or maintain existing skills; and make new links and contacts.
  - ◆ It can create "brokerage" links between employment and training opportunities, and local people.
  - ◆ It can create community projects and enterprises business that both remove barriers to economic activity, and provide direct opportunities for employment and training.

### Social Enterprise

#### Main points

- ◆ Social enterprises are a mechanism for supporting individuals into work.
- ◆ Social enterprises provide benefits to the wider community through increased employment, wealth and regeneration.
- ◆ Social enterprises have explicit social aims as well as economic goals, hence can provide a more supportive environment to the economically inactive.
- ◆ Locally based social enterprises, can offer work-based training opportunities.

Issues raised:

- The Wales Co-operative Centre (WCC) urge policy development to support the role of locally based, social enterprises as a mechanism for supporting individuals into work and providing benefits to the wider community. Social enterprises can:
  - ◆ create sustainable jobs



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- ◆ retain wealth within the local community
- ◆ contribute to community regeneration
- ◆ encourage active citizenship
- ◆ make money in a socially and environmentally responsible way
- ◆ improve service delivery to meet local needs
- ◆ reach out to the economically inactive

- Because social enterprises have explicit social aims as well as economic goals, they are ideally placed to provide a more supportive environment often needed by people who have been economically inactive for some time.

- As with childcare, there is a skills shortage in the construction field. Support for the development of locally based social enterprises, which can offer work-based training opportunities and bring together people in the community with the range of skills necessary to provide an efficient service, could raise economic activity levels.

### **3. Intermediate Labour Markets (ILMs)**

ILMs are a particular type of programme, often community based and aimed specifically at returning the unemployed into employment.

#### **Main points**

- ◆ ILM business models provide demand-led opportunities for economically inactive people to join the workforce.
- ◆ Support can provide work experience, structured job search support and personal development.
- ◆ ILMs can link in with other agencies to provide community regeneration.
- ◆ ILMs can be used to target the most disadvantaged.
- ◆ ILMs can build bridges between the inactive and employers.
- ◆ ILMs can provide a source of training and education, and offer a broad spectrum of opportunities and transferable skills for people.
- ◆ ILMs provide waged work development.
- ◆ European funds can be used to fund projects.
- ◆ Clients can be supported during and after the programmes.
- ◆ Development of the programme is often hindered by lack of funding.
- ◆ Remit letters to ELWa and the WDA should include the provision to ensure that funding from these bodies can be directed to the development of Labour Market Intermediaries (LMIs).

Specific points raised include:

- Social businesses in the voluntary sector are demonstrating effective intermediate labour market (ILM) business models providing market demand-led opportunities for economically inactive people to join the workforce. The voluntary sector is able to mirror SMEs in the private sector, offering a broad spectrum of opportunities and transferable skills for people.

- The aim of the North Wales LMI is to assist economically inactive people into full-timed sustained employment through developing social enterprises within the four counties of North-West Wales. WCVA supports, advises, and manages a network of Intermediate Labour Market Organisations (ILMs) who provide temporary subsidised employment (funded by the partnership) for up to six months, and assist each person to progress into a full-time job. The support consists of:

- ◆ Work experience – very often it is the fact that a person is out of work that prevents them from being considered by an employer;
- ◆ Structured job search support – many people do not know how to complete an application fully showing their skills and experience, or know how to present themselves at interview;
- ◆ Personal development – to fully prove their competency within a vocational role.

- ILMs have enormous potential, and can possibly use the Communities First programme to provide community regeneration.

- The ESF funded JobMatch LMI (partners include Bleanau Gwent CBC, JC+, Working links, and careers Wales Gwent) aims to:



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- ◆ Engage the most disadvantaged;
- ◆ Reduce inactivity levels;
- ◆ Build bridges between inactive and employers;
- ◆ Engage people in lifelong learning;
- ◆ Provide waged work development through ILM's.

The JobMatch programme uses:

- ◆ Community outreach workers to target those at greatest need;
- ◆ Personal Consultants assigned to each beneficiary;
- ◆ A network of local employer contacts;
- ◆ ILM employment experience;
- ◆ Aftercare service to improve job retention.

- The EDT Committee are asked to ensure that future remit letters to ELWa and WDA include the provision to ensure that funding from these bodies can be directed to the development of LMIs.

- The WCVA recommends ensuring that funding is available to extend and replicate successful multi-agency Labour Market Initiatives able to decrease economic inactivity through employment and training in social enterprises and voluntary organisations.

#### **4. Education and Training (Skills)**

##### **Perceptions**

##### **Main points**

- ◆ There are fewer opportunities for workers with lower skills and qualifications and there is a need to reduce the skills gap in Wales.
- ◆ Certain minority groups persistently under-attain in school and have lower basic skills levels.
- ◆ There is relatively poor attainment of educational and vocational qualifications by disabled people.
- ◆ Training providers are not geared to understanding or addressing the needs of those furthest from the Labour Market.
- ◆ ELWa target groups and programmes need to be reassessed.
- ◆ Negative learning experience leads to a perpetual cycle of negative experience and disadvantage.
- ◆ Negative social factors impact on learning behaviours.

Respondents noted that:

- Although progress has been made with specific groups, notably lone parents and the disabled, where the employment rate has increased faster than for the working age population as a whole since 1997, there has been no improvement in the employment rate for those without qualifications. There is a need to reduce the skills gap in Wales.

- Certain minority groups persistently under-attain in school and basic skills levels are lower for some groups.

- There is relatively poor attainment of educational and vocational qualifications by disabled people.

- Training providers are not geared to understanding or addressing the needs of those furthest from the Labour Market.

- ELWa are targeting too much cash at 16-19 age group. The Individual Learning Account is too small and the system needs overhauling. There is a question regarding the role that ELWa should have in tackling inactivity and whether or not it should be more involved in community regeneration. ELWa has not developed an effective strategy to address the low-skills trap.

- A negative experience of learning had led to a perpetual cycle of negative experience and disadvantage.

- The lack of parenting means that some young people have a poor grasp of basic social skills (appropriate behaviour, language, absence of responsibility for actions, no sense of community responsibility, no respect for property) which can result in violence and crime which is often seen as a leisure pursuit. The lack of social investment in the community results in lack of purpose and hence no motivation to move on, or to see relevance in education.



## **Formal Education**

### **Main points**

- ◆ Colleges should focus more on the needs of their students.
- ◆ Colleges should treat students like adults.
- ◆ There should be more support in the transition from education into work.
- ◆ There needs to be more information available before taking GCSE options.
- ◆ Schools should offer vocational as well as academic courses.

Specific issues referred to were:

- Colleges should provide you with what you want and treat you like adults.
- There needs to be help with the transition from school/college to work (i.e. providing classes for interview techniques, more work experience and placement opportunities).
- There needs to be more information available before taking GCSE options.
- There should be more practical courses in schools. Schools shouldn't just focus on academic courses.

## **Vocational and Adult Education**

### **Main points**

- ◆ Positive action training schemes and projects should be expanded.
- ◆ There should be more training packages offered to adults.
- ◆ Training packages should be offered to employers.
- ◆ There is a need for more on the job training.
- ◆ There is a need to expand work experience programmes, including programmes for the self employed.
- ◆ There needs to be a comprehensive main-streaming and prioritisation of work with inactive people.
- ◆ Retraining should be focussed on those seeking work but without the right skills.
- ◆ The modern apprenticeship programme needs to be expanded, and recruitment criteria reassessed.

Respondents reported:

- Although it is a hard task for post-compulsory education to compensate fully for poor attainment in school by certain (particularly black and ethnic minority) groups, there is an important role for positive action training schemes. An expansion of positive action training opportunities is recommended. Generic training projects can also complement positive action training opportunities, and so should continue to be resourced.
- There should be more training packages offered to adults.
- Training packages should be offered to employers.



- There is a need for more on the job training.
- Finding a job for someone is not the only solution to economic inactivity. It is just as valid to ensure that they start their own business whether part or full time. Menter a Busnes and Wales's Cooperative Centre offer opportunities to those who are inactive economically to obtain a taste of running an experimental business scheme. This is particularly relevant for a number of groups such as parents, women, farmers' wives, students, and people who have received benefits for a long period of time.
- We should be retraining those seeking work but without the right skills.
- Many training and educational initiatives are available, but we need a comprehensive main-streaming and prioritisation of work with inactive people. There is a need for closer working with companies at a local level to match skills upgrading to business requirements and to involve them in the process of enabling the inactive to work.
- There is a need for more Modern Apprenticeships and more variety, and fewer qualifications necessary to start a modern apprenticeship.

### **Soft Skills**

#### **Main points**

- ◆ Preparation for work in work related skills, social skills and confidence building is essential.
- ◆ More team building programmes are needed.

Specifically, issues raised were:

- Preparation for work in work related skills and social skills and confidence building is essential. Specific skills include:
  - ◆ Self-reliance
  - ◆ Self-direction
  - ◆ Co-responsibility.
  - ◆ Motivation
  - ◆ Resilience.
- More team building programmes are needed.

## 5. Transport

### Main points

- ◆ Physical distance from the labour market is a social exclusion problem that obstructs access to employment opportunities, particularly where opportunities require people to work antisocial hours.
- ◆ A cheap and reliable integrated transport network is needed. A poor public transport network forces people to use roads.
- ◆ Public transport use is particularly problematic for disabled travellers.
- ◆ Cheaper public/non-private transport would reduce travel costs and make some lower paid jobs more attractive.
- ◆ Extending free bus passes to rail services could increase demand for those services and lead to a greater supply of services.
- ◆ The quality of services and facilities needs to be high enough to tempt people from using their own cars.
- ◆ Congestion needs to be tackled to promote public transport use.
- ◆ Goods train lines should be adapted to take passenger trains.
- ◆ The inactive should be given specific assistance with transport costs (subsidised travel, help with driving test costs and driving licences).
- ◆ Investment is needed in the transport infrastructure.

Respondents reported that:

- An integrated transport network is needed. Poor public transport network forces people to use roads. Costs too high in just one mode can pull down the whole system (such as expensive car parking at railway stations).

- Limitations in transport and the built environment reduce the scope of labour force mobility for the disabled. The SRA do not enforce regulations causing problems for people with disabilities.

- Physical distance from the labour market is a social exclusion problem that causes individuals to be unable to access employment opportunities. This problem is apparent in the tourism industry, as many of the job opportunities within tourism require that employees work unsociable hours. Many areas in Wales are poorly served by public transport. This presents significant difficulties and cost implications for potential employees without their own means of transport.

- Cheaper public transport would reduce travel costs and make some lower paid jobs more attractive. Non-private car transport tax-free subsidies by employers would help.

- Extending free bus passes to rail services could increase demand for those services and therefore supply.

- The level of service and facilities needs to be high enough to get people to use the services.

- Congestion in major towns and cities needs to be addressed. Congestion charges should be applied to free up bus lanes.



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- Goods train lines should be adapted to take passenger trains.
- The inactive should receive help with driving lessons and licence costs.
- Investment is needed in the transport infrastructure, and links with foreign competitors need to be improved. Areas considered to need special attention include:
  - ◆ The A470 creates a bottle-neck past Merthyr.
  - ◆ The A465 needs dualling.
  - ◆ A dual carriageway linking the M4 to Cardiff International Airport.
  - ◆ A regular express train link between Cardiff, Bridgend and Swansea.
  - ◆ Better air links to other trading partner capitals.

## **6. Childcare**

### **Main Problems**

- ◆ The tax-benefit system.
- ◆ A lack of affordable child care.
- ◆ Poor childcare facilities.
- ◆ Not enough local jobs that pay enough to make work worthwhile.
- ◆ Unregistered (illegal) childminding.
- ◆ Poor pay and job profile of childminding.

Respondents reported:

- Many lone parents in Wales have found it hard to combine work and bringing up a family because of the tax-benefit system, lack of affordable child care, and few local jobs that paid enough to make work worthwhile;

- In some areas of Wales, most noticeably those that suffer deprivation, unregistered illegal childminding has become prevalent. This is a potentially dangerous situation for children and their unregistered carers, but it also fails to capitalise on the opportunity to tackle the situation in a way that could eventually lead to higher levels of local economic activity, and a stronger 'social' economy. NCMA in Wales intends on targeting illegal childminding, particularly in areas of regeneration within the business plan period 2004-07.

- Financial incentives exist to encourage people into the childminding profession, such as Start up Grants, and free pre-registration training and business support by NCMA sponsored by the WDA. Despite this, other factors continue to deter prospective childminders, in particular low pay and low job profile. These need to be addressed in order to sustain the momentum created by start up support, and to retain new recruits into the childminding profession.

### **Main recommendations**

- ◆ Social enterprises could offer childcare provision to provide both childcare, and work opportunities for the inactive.
- ◆ Investment in existing initiatives (such as New Deal and Sure Start) has grown, but further investment is needed.
- ◆ Initiatives need to be supported by long term funding, and extended to less deprived areas.
- ◆ The benefits of childminding need to be promoted. Childminding can be an attractive self-employment opportunity, offering flexible working hours, transferable skills, and training prospects without the need for prior qualifications.
- ◆ The current tax and benefit regime needs to be revisited to assess whether or not it supports a return to work for parents.

Respondents reported:

- Social enterprises offering childcare provision could provide work placement opportunities for students and childcare places for carers wishing to return to work, thus



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offering solutions to economic inactivity at two levels. Linking with the Welsh Assembly Childcare Working group, the development of a programme aimed at encouraging the creation of childcare co-operatives in Wales would be welcome.

- WAG has increased investment in affordable quality childcare substantially and the Government is developing highly successful initiatives through the New Deal and schemes such as Sure Start. However, this will need to be significantly strengthened if the lone parent employment rate is to be raised.

- Many childcare initiatives funded through Cymorth have pump-primed childcare places, particularly in deprived areas. However, the benefit of these successful initiatives must be sustained by adequate and longer-term funding, and extended into areas of Wales that may not be regarded as 'deprived' but still require support to provide childcare services.

- Starting up in business is an attractive prospect when considering employment options. NCMA has been working to gain recognition from childcare workers themselves and other interested parties that childminders are indeed self-employed business people. Working as a registered childminder offers flexibility in terms of working hours and is home-based, thus providing an attractive solution for those who wish to remain at home perhaps with their own children, and still be economically active. The flexibility of a childminder's working hours also works in favour of those who chose childminding to enable them to go out to work. No previous qualifications are needed to train to become a childminder. As a result it is a viable career option for those who have been out of work/education for some time. However, the concept of personal development and career progression is introduced from the outset, and many childminders go on to gain a range of nationally recognised qualifications. The skills gained through training and personal development schemes are transferable and often lead to progression into other areas of the childcare market.

- There must be benefits in place so that employment is a worthwhile option financially. The child and working tax credits need to be revisited in terms of how far they go towards supporting parents who want to work. In addition, childminding is a very flexible form of childcare and is well placed to provide working parents with a 'tailored' service according to their work commitments.

## 7. Healthcare

### Main points

- ◆ GPs should be encouraged to play a more pro-active role in encouraging people to rehabilitate and take up employment and training opportunities.
- ◆ The health strategy should be shifted to preventative health care (education) programmes.
- ◆ Individuals with existing conditions should have access to the necessary treatment that would enable them to better contribute to the economy.
- ◆ Historic under-investment in UK healthcare has resulted in long waits for treatment. Recent investment should help to alleviate this.
- ◆ Rehabilitation is used widely elsewhere in the world to facilitate an injured person's return to work. There is a need to improve healthcare provision to optimise the opportunities of returning to the workplace.
- ◆ The benefits of, and funding for, occupational health services need to be considered.

Issues raised were that:

- GPs should be encouraged to play a more pro-active role in encouraging people to rehabilitate and take up employment and training opportunities. A West Country project uses referrals from GPs to place Incapacity Benefit claimants onto a programme that builds capacity.

- The health strategy should be shifted to preventative health care (education) programmes. All individuals should have access to preventative treatments which can help keep them healthy and prevent serious illness developing, such as the targeted prescribing of statins, which are proven to have a significant effect in reducing the development of serious Coronary Heart Disease.

- Individuals who are already suffering from long-terms illness, which limits their capacity to work, should have access to proven, cost effective medicines which can contain or alleviate the symptoms of their illness. Prescribing costs are often viewed as part of the problem when they should often be viewed as part of the solution. Such signals serve to reinforce, rather than to challenge a traditional conservatism on the part of prescribers in Wales to adopt new treatments, and may undermine the message that priority should be given to identifying and treating illness before it becomes chronic.

- In the past, the UK has experienced greater poverty and social deprivation than in Europe, so it is not surprising to see that a higher share of the working age inactive population in Britain was in poorer health than in some comparable EU economies. Long waits for treatments for chronic conditions that prevent or limit work would also tend to increase reported sickness as a reason for inactivity. The historic under-investment in Britain's public health services and tolerance of widening social inequalities may therefore have had significant economic costs by reducing potential labour market activity among the working age population. Investment in the NHS and a drive against poverty should help increase labour market activity rates.

- Many unions are now favouring a rehabilitation approach to get people back to health and back to work. That effort will include a number of different responses including,



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- ◆ medical treatment provision - both traditional hospital medicine, but also especially physiotherapy, chiropractic and osteopathy. It will also include occupational health services;
- ◆ adaptations to the workplace - to make sure both that people with an injury or illness can do the job they left, but also so that they don't suffer the same problems all over again; and
- ◆ retraining - so that where they cannot do the same job in the same way as they used to, they can still make their contribution and perhaps even do more.

- The majority of workers in the UK, especially those in small firms, do not have access to any sort of occupational health service (OHS). The NHS currently lacks the resources or expertise to provide a national occupational health service available freely to all. Issues raised were that:

- ◆ In 2000, the NHS in Wales was undertaking a stock-take of rehabilitation services. What needs were identified?
- ◆ Can the NHS in Wales do more to provide rehabilitation?
- ◆ Is there a role for Community based Healthy Workplace Services?
- ◆ Is WAG doing enough to promote and encourage OH, both as a profession and as a service?
- ◆ Are businesses putting strategies in place in advance rather than as a fire fighting measure?
- ◆ Can businesses without OHS's share OHS's with other employers?

## **8. Sickness and Disability**

### **Perceptions**

#### **Main points**

- ◆ Many older workers were encouraged into sickness and disability benefits or to take early retirement to prevent swelling the unemployment totals.
- ◆ There could be major gains in concentrating more resources on the disabled.

Respondents reported:

- Many older workers displaced by the huge job cuts in traditional and manufacturing industries were “encouraged” into longer term sickness and disability benefits or to take early retirement as an alternative to swelling the unemployment totals;

- The UK invests less in labour market programmes for the disabled than almost any other EU State, yet the success of New Deal in reducing long term open unemployment and existing schemes for the disabled such as Access to Work suggest there could be major gains in concentrating more resources in this area.

### **Disability**

#### **Main points**

- ◆ People risk losing social services support and, in some cases, housing by taking jobs.
- ◆ Relocating for employment can be difficult as organising health and independent living support in the new location can be difficult.
- ◆ Workplace discrimination and prejudice has been experienced.
- ◆ Many who become inactive through physical impairments also develop mental health problems, and increasing numbers of new IB claimants have mental health problems from the outset.
- ◆ The low wage, low skill economy in parts of Wales is considered to be a problem.
- ◆ A relatively low wage economy makes the transition from 'incapacity related' benefits into work a risky process.
- ◆ Most Government initiatives have focused on new benefits claimants rather than to increase work readiness amongst long-term IB claimants.
- ◆ Job Centre Plus Personal Capability Assessments (PCAs) can be poorly conducted.
- ◆ Governments need to act to reduce prejudice towards employment of the disabled and increase their self-esteem and work readiness.
- ◆ The contribution of those unable to work through disability (such as in voluntary work, informal care and community influence) should be recognised.
- ◆ Successful pilots aimed at engaging disabled people with work should be extended to other areas and individuals.
- ◆ There should be continued support for those disabled re-entering the workplace.
- ◆ There is a lack of continuity in support regimes. A strategy of providing technical support in the home for disabled people wishing to engage in the world of work should be devised.

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- ◆ The Committee should bring to the attention of the Minister for Education and Lifelong Learning the matter that attainment of qualifications by disabled young people is still unacceptably low.
- ◆ The Committee should call on WAG to ensure that disabled people and employers in Wales are aware of their duties under the Disability Discrimination Act.

### Problems outlined by respondents:

- People risk losing the social services support they receive and in some cases their housing by taking jobs. This is especially problematic for people with fluctuating conditions who may lose their 'floating funding' from their local authorities in taking up employment
- Available and attainable work is seldom located where the largest proportion of disabled people live. The need to organise health and independent living packages limit the potential for relocation.
- There is workplace discrimination and prejudice, and fear of this based on previous experience
- Fuelled by low self-esteem, many who first became economically inactive through physical impairments have also developed mental health problems. Increasing numbers of new IB claimants have mental health problems from the outset.
- Although the Government has taken measures to reduce disincentives to work within the benefits system, the low wage and lower skill economy in parts of Wales is problematic. A relatively low wage economy makes the transition from 'incapacity related' benefits into work a risky process
- Most Government initiatives have focused on new benefits claimants rather than to increase work readiness amongst long-term IB claimants. This has dashed the raised expectation of support from long-term claimants and generated a culture of fear of stigmatisation amongst claimants.
- There is evidence that many individuals, who have been out of the employment market for very strong reasons, are subject to inadequate Personal Capability Assessments (PCA), and a lack of exploration of the options available to them. Such clients need to approach their situation with confidence and without suspicion that they will lose their current benefit awards. There are a worrying amount of cases where clients lose their Incapacity Benefit for not attending their PCA, even with good cause. Furthermore, Jobcentre Plus often seem to punish people who do not attend a PCA with a very long delay (typically 3 months) in deciding a new IB application, during which time the client is without income and may find it very difficult to access a crisis loan from the Social Fund. Where a PCA is declined, IB is stopped instantly which can lead to sudden indebtedness.

### Respondent's recommendations:

- Governments need to act to reduce prejudice towards employment of the disabled and increase their self-esteem and work readiness.



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- The work of Potentia in encouraging self-employment and business start-ups by disabled people is applauded, and there is awareness of the increasing role played by Broker Cymru in providing practical support in this area. However, there seems to be a void in the area of enhancing self-esteem amongst disabled people so that they feel more confident of taking up the opportunities offered by Potentia and others. WAG should consult on a potential programme to enhance the self-confidence of disabled people and provide enhanced support services in engaging with the world of work.

- It is important to recognise that many 'economically inactive' disabled people who have little prospect of entering or re-entering the labour market contribute to their immediate circles of influence and their communities (for example through volunteering, pursuing an interest, or undertaking informal care enabling other family members to seek employment).

- There have been numerous pilots looking at engaging disabled people with work. Coverage within Wales has been variable, as have the success rates. The approach and early outcomes of the 'Pathways to Work' programme undertaken by Job Centre Plus in Bridgend and RCT is considered to be impressive. Committee members should view this project either as part of this enquiry or within its anti-poverty remit. Pressure could also be applied to roll-out the project both geographically (to other valley areas) and in terms of depth of support (covering mid-term IB claimants)

- A key barrier facing disabled people entering work is the lack of continuity in support regimes. Support in schools is provided via the SEN statement. The small proportion of disabled people entering higher education can obtain a Disabled Students Allowance. Some entering further education are not entitled to this allowance and have to rely solely on the colleges to provide support. Once in work, disabled employees can obtain support through the Access to Work scheme. This Scheme is of critical importance but has its deficiencies. However, there is no support for work placements. Neither is there any support in accessing technology at home to assist in the development of work readiness. (It appears that some support is available for home provision in England). The Committee should bring together all agencies involved in the continuity of technical and practical support for disabled people in education, job searching, and employment; and organisations like IT Wales should be involved in devising a strategy of providing technical support in the home for disabled people wishing to engage in the world of work. A network of technical experts should also be established to support the installation of home-based equipment

- Attainment of qualifications by disabled young people is still unacceptably low and we were most concerned to note the high proportion of disabled people discouraged from taking the most basic qualifications. The Committee should bring this matter to the attention of the Minister for Education and Lifelong Learning citing the impact this has on potential entry of disabled people into further and higher education, and the increasing need in the Welsh economy to fill skilled vacancies.

- Changing the culture and behaviour of employers to ensure that they are actively recruiting disabled employees is of critical importance. For example, business advisors involved in the excellent WDA SME Equalities Projects have played a crucial role. In October, the small firms threshold within the Disability Discrimination Act will be removed. This means that firms employing less than 15 staff will be covered by the employment obligations of the Act (those employing more than 20, then 15 have been covered since



1996). The committee should call on WAG to ensure that disabled people and employers in Wales are aware of their current and forthcoming duties under the DDA. Adequate support should be provided to the WDA SME Equalities project and other business advice agencies to undertake this work.

### **Specific Recommendations for Mental Health Issues**

- ◆ Many clients are depressed or at the low end of stability, but it would not take much to get them back into work if the right conditions and suitable support were present.
- ◆ Greater awareness is needed of the needs of individuals with mental health issues and the effects of stigmatisation and discrimination.
- ◆ Advisers from all agencies need to be able to form a trusting relationship with clients that are suffering from mental ill health.
- ◆ Cognitive based therapy should be made available for really long-term unemployed.
- ◆ Community of interest businesses or ILMs are needed to help people back into work.

Respondent reported that:

- Many clients are depressed or at the low end of stability, but it would not take much to get them back into work if the right conditions and suitable support were present.
- Community of interest business or ILMs are needed to help people back into work.
- Cognitive based therapy should be made available for really long-term unemployed.
- There is a growing need for greater awareness, in particular amongst advice giving agencies and employers of the needs of individuals with mental health issues and the effect that stigmatisation and discrimination has in the cases of individuals suffering from mental ill-health in social and economic terms.
- It is important that advisers from all agencies are able to form a trusting relationship with clients that are suffering from mental ill-health, in order to achieve the most appropriate outcome for that client. Some cases can take a long time to progress – particularly when taking into consideration the client's ability to understand their rights and responsibilities in relation to benefit entitlement, employment opportunities and managing debt.

## 9. Carers

### Main points

- ◆ Many carers are unable to combine paid employment with the responsibilities they carry.
- ◆ Many carers choose to work reduced hours or forego taking on more demanding jobs.
- ◆ The stress and social isolation that result from a substantial caring role makes carers lose confidence in their own abilities.
- ◆ Carer's obligations prevent them from accessing the training needed to re-enter the labour market.
- ◆ The "poverty trap" affects the very high percentage of carers in Wales that are dependent on benefits, especially when considering the costs of replacement care.
- ◆ There is a shortage of replacement care services.
- ◆ The government in Wales needs to implement a pledge to abolish charges for services to disabled people.
- ◆ There needs to be significant and sustained investment in increasing the availability of high quality, flexible, appropriate and affordable care services.

Respondents reported that:

- Many carers are unable to combine paid employment with the responsibilities they carry. 90,000 carers in Wales are caring for more than 50 hours every week (3.1% of the population of Wales). In a Carers UK report, 70% of respondents said they had given up work to care. 52% of all carers work.

- In order to cope, many carers choose to work reduced hours or forego taking on more demanding jobs and their ability to make a full contribution to the direct economic activity of Wales is curtailed.

- Some key barriers are:

- ◆ The stress and social isolation that result from a substantial caring role makes carers lose confidence in their own abilities irrespective of the levels of educational attainment, work related skills and responsibility they had before becoming carers.
- ◆ Many carers will need to update their work skills before they can take up paid employment but find it difficult to access courses because of their caring situations.
- ◆ The "poverty trap" affects the very high percentage of carers in Wales that are dependent on benefits. This is particularly problematic for those carers who may only be able to consider part-time or low paid options. The poverty trap is an issue for all claimants wishing to return to work but, for carers and their families, it is exacerbated by the fact that they have to pay for replacement care. The costs of appropriate care services can be extremely high.
- ◆ There is a very real shortage of replacement care services. The services that do exist are inadequate in both quantity and quality to meet the current levels of need. Also they are rarely flexible, appropriate or affordable enough to meet the needs of carers wishing to work.

- The implementation of the pledge by the government in Wales to abolish charges for services to disabled people would get rid of a major disincentive for those carers wishing to become economically active. It would enable more carers to break out of the poverty



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trap. Currently very few carers would be able to earn enough to pay for the replacement care costs for the disabled person they look after. This is particularly difficult for the many carers that are part of low income households.

- There needs to be significant and sustained investment in increasing the availability of high quality, flexible, appropriate and affordable care services that can replace the care provided by family and friends. This would enable carers to have equality of opportunity in terms of choosing to re-engage in paid employment. It would also create more jobs.



## **10. Tax, Benefits and Income**

### **Main points**

- ◆ The benefits trap needs to be understood, and customised solutions applied.
- ◆ The benefits system needs to be reformed so that people can have the safety net while trying new ways of working and upgrading skills.
- ◆ The benefits trap is particularly relevant for people with physical and mental disabilities who are more likely to stay at lower rates of pay in future years.
- ◆ Income tax personal allowances should be raised to make work pay.
- ◆ The minimum wage is not high enough to tempt some people back into the workplace.

Respondents commented that:

- Some people with school age children choose inactivity because of social security top-ups (benefit trap!).
- We need to understand the low skill benefits trap and apply customised solutions.
- Because they sometimes lack both skills and work continuity, people with physical and mental disabilities are more likely to stay at lower rates of pay without prospects of getting higher pay in future years. Taking this to account in the benefit field, Working Tax Credit (WTC) offers little incentive for people who are likely to remain on low incomes to move back into work because of the way it interacts with Housing Benefit. It is virtually impossible for them to escape the poverty trap created by the fact that any gains in WTC is counted as income and therefore clawed back by a reduction of Housing Benefit and Council Tax Benefit. Accordingly, by taking into account the higher benefit take-up and lower average incomes in Wales, it is particularly important for WAG to drive investment programmes that generate feasible employment opportunities and that provide appropriate means of obtaining the skills and confidence to develop their employment options.
- We need to reform the benefits system so that people can have the safety net while trying new ways of working and skills upgrade.
- Income tax personal allowances should be raised to make work pay.
- The minimum wage is not high enough to tempt some people back into the workplace.
- The National Minimum Wage should be increased and one imposed for 16 to 17 year olds.

## **11. Government Agencies and Strategies**

### **Main points**

- ◆ The suitability of the JobCentrePlus (JC+) model in ascertaining and providing for the short and long-term needs of the inactive should be assessed.
- ◆ Jobcentre opening hours should be extended.
- ◆ The opportunity for engaging SMEs in the employment of the inactive should be considered?
- ◆ WAG should liaise with the UK Government to ensure that major new investments in Labour Market programmes are targeted on disabled and lone parents, and on delivering WAGs childcare strategy.
- ◆ Greater co-ordination between government bodies is needed, and in particular with the UK Government.
- ◆ The Assembly should force inactivity to be at front of priorities for local authorities and their partners.

Respondents reported:

### **JobCentrePlus and New Deal**

- The JC+ model needs to be assessed in order to check:
  - ◆ Whether or not it is making the most of Objective One monies.
  - ◆ If JC+ staff have the knowledge and skills to provide the right support to those at the greatest distance from the LM.
  - ◆ If the short JC+ interview can do enough to change cultural attitudes.
  - ◆ How we ensure that individuals placed into employment are competent lifelong learners.
- There should be longer opening hours for Jobcentres. They are only open in school time at the moment.
- There should be longer appointments at Jobcentre. Some respondents feel rushed when signing on, as if the Jobcentre is short staffed.

### **Engaging the Private Sector**

- Can SMEs be encouraged to get involved in the employment of the inactive, and particularly, those on incapacity benefits?

### **Relationship with Central Government**

- WAG should liaise with the UK Government to ensure that major new investments in Labour Market programmes are targeted on disabled and lone parents, and on delivering WAGs childcare strategy.

### **Co-ordination**

- Greater co-ordination of activities is needed as inactivity is a complicated issue, and an umbrella body should be considered. In particular there is a need for co-operation between the UK Government, DWP, and WAG.

- Many of the interventions that need to be contemplated to reduce economic inactivity are reserved matters for Westminster. It is recommended that the Committee asks WAG to raise concerns over economic inactivity and its economic impact in Wales with the Secretary of State. There should be further co-operation between the Economic Development Committee and counterparts on the Welsh Affairs Select Committee. This should cover reserved matters such as employment and benefits policies, as well as devolved matters impacting on employability poverty, transport, education, and health/independent living.

- The Assembly must insist that each relevant body co-operates and works to the same agenda. A clear structure is required, with strong leadership, to ensure that the relevant organisations regularly share figures and information. The only solutions that work are multi agency solutions. It is apparent that there are many public and voluntary organisations working in the field that are not aware of each other and what others are doing. Integrating organisations such as Job Centre Plus, ELWa and Local Health Boards should be central and will be crucial to partnership working, particularly given the significant health and skills issues affecting economic participation.

### **Local Government**

- The Assembly should force inactivity to be at front of priorities for local authorities and their partners.

## **12. Information and Support**

### **Main points**

- ◆ The inactive need specific learning provision to assess the amount of support they need, offer guidance and counselling, and provide personal development and support.
- ◆ The long term inactive need to be enabled to understand how the world of work has changed, and what they need to do to adapt to the changed labour market.
- ◆ There is a need for more general information and support.
- ◆ There is a need to improve individuals abilities to manage their financial situation, and increase awareness of their employment rights.
- ◆ The inactive need easier and cheaper Internet access and access to computers.
- ◆ Concerns have been raised regarding the Jobcentre Plus systems of dealing with clients who are considering work as an option and also advisers' awareness of the circumstances and support needs of clients when out of work.
- ◆ There should be a wide strategic role for the WAG and National Assembly for Wales to engage with employment advice agencies.

### Respondents reported:

- Those furthest from the labour market need 'learner' centred provision through:
  - ◆ A sophisticated assessment process to assess whether or not they might realistically be able to work again, and the amount of support they might need.
  - ◆ An appropriate blend of information, advice, guidance and counselling.
  - ◆ Personal development and support aimed at creating capacity to learn within the individual.
  - ◆ Good quality training and job-search support.
- We need to enable disadvantaged job-seekers to understand how the world of work has changed and what they need to do to compete in the modern world.
- There is a need for more general information and support to ensure the inactive are fully informed and confident in making life-changing decisions.
- There is a need to improve individuals abilities to manage their financial situation and maximise their income levels, according to work-related (e.g. Tax Credits) and other benefits (e.g. sickness and disability benefits), and increase awareness of their employment rights.
- We need more easily accessible Internet, and more access to computers. The Internet is free at the library but otherwise expensive.
- Local Citizens Advice Bureaux (CAB) have initiated working relationships with local Jobcentres and Jobcentre Plus offices to ensure that the client receives the best possible service in terms of advice and information. On the basis of evidence received from Bureaux, some concerns have been raised regarding the Jobcentre Plus systems of dealing with clients who are considering work as an option and also advisers' awareness of the circumstances and support needs of clients when out of work.

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- Whatever medium of communication (telephone, face-to-face e-mail) it is important to establish methods of clear and effective information sharing that will aid a better understanding a) on behalf of the Jobcentre adviser in order to establish a clear picture of the clients needs and b) on behalf of the client in order for them to consider what benefits and options are available and most appropriate.
- The WAG and the statutory equalities bodies have already identified the immediate need for more readily available and equitable, quality employment advice across Wales. The Employment Rights Network Wales is clear that there should be a wide strategic role for the WAG and National Assembly for Wales to engage with employment advice agencies.
- Help with CVs and team building through the Youth Gateway.
- There should be more open-days and jobs fairs.
- There is a need for more Action Teams for Jobs, financial incentives and individual needs need to be catered for, and 'Action Team for Jobs' eligible wards should be extended.

### 13. Ethnicity

#### Main points

- ◆ A number of factors are considered to influence economic activity rates amongst BME communities including fewer skills and lower educational achievement; spatial factors; and poorer health.
- ◆ Considering the small number of inactive non-white ethnic minorities in Wales, any response needs to be proportional and local.
- ◆ There is a need to review the effectiveness of Objective 1-3 programmes related to inactivity, especially among ethnic minorities.
- ◆ High housing costs in Cardiff reduce the incentive for some to look for work.
- ◆ Community development work needs to be carried out in a way that is culturally acceptable to communities.
- ◆ The NCMA runs a multi-cultural project in Cardiff, which aims to address the lower levels of economic activity found in non-white ethnic minority communities.
- ◆ If, despite new programmes, new data sources reveal persisting and disproportionate attainment gaps between ethnic groups, the Welsh Assembly Government should factor ethnicity into education floor targets.
- ◆ Where differential achievement between ethnic minority groups is of serious concern, Estyn should identify this as a weakness of the school in its summary report to parents.
- ◆ There should be systematic sharing of good practice based on evidence of what works in successful schools with strong records of tackling ethnic under-attainment and discrimination.
- ◆ There should be a focusing of work with particular ethnic minority groups that have significant low attainment problems by ensuring that schools' parental engagement processes take ethnic specific factors into account.

#### Respondent reported:

- Factors influencing economic activity rates amongst BME communities can be divided into:

1. Skills factors (for example, in certain uneducated and male dominated BME families, females were expected to stay at home and not work. There appears to be a lack of access to training opportunities. Young men appear to be unclear about what they wish to do. Certain minority groups persistently under-attain in school and basic skills levels are lower for some groups. A lack of fluency in English is noted as a particular issue.
2. Spatial factors. Areas of deprivation are often located next to areas of prosperity.
3. Ill health. There appears to be a disproportionate number of people receiving the wrong benefits (i.e. receiving JobSeekers Allowance when they should be on disability), and an apparent increase in the number seeking help with disability problems and disability benefits.

- Considering the small number of inactive non-white ethnic minorities in Wales, any response needs to be proportional and local.

- There is a need to review the effectiveness of Objective 1-3 programmes related to inactivity, especially among ethnic minorities.



- High housing costs in Cardiff reduce the incentive for some to look for work.
- Community workers should target families where parents are uneducated and tend to be male-dominated, in order to gradually bring about attitude change.
- In carrying out community development work, the approach to be taken should be one of not challenging cultural norms; and if these are to be challenged this must be done within the culture. Educational opportunities need to be presented in a culturally acceptable way to communities. Ways of expanding community interventions could include a project that established a rolling programme of placements of at least 3 months duration over a 2 year period. The project would, for example, see JCP Employment Advisors, going into a community setting. However, this would need an independent and separate source of funding. Such a project would create a good foundation for mainstreaming to occur.
- NCMA runs a multi-cultural project in Cardiff, which aims to address the lower levels of economic activity found in non-white ethnic minority communities.
- A number of recommendations made are:
  1. The Welsh Assembly Government is indirectly responsible, via local education authorities, for a number of projects directly and indirectly targeted at closing the attainment gap between low-achieving ethnic minority groups and the White average. If despite these programmes, new data sources reveal persisting and disproportionate attainment gaps between ethnic groups, the Welsh Assembly Government should factor ethnicity into education floor targets.
  2. Where differential achievement between ethnic minority groups is of serious concern, Estyn should identify this as a weakness of the school in its summary report to parents.
  3. Systematically sharing good practice based on evidence of what works in successful schools with strong records of tackling ethnic under-attainment and discrimination. As a first step though, a review should be carried out of schools' use of information on best practice methods of raising ethnic minority educational attainment, focusing particularly on the lowest achieving schools with a view to improving access to guidance and advice.
  4. Focusing work with particular ethnic minority groups that have significant low attainment problems by ensuring that schools' parental engagement processes take ethnic specific factors into account by:
    - i. Helping teachers and schools to identify ethnically related drivers of disengagement;
    - ii. Using methods of engagement which are tailored to specific employment, religious and cultural needs; and
    - iii. Encouraging schools to monitor and analyse parental engagement by ethnicity, to see if some ethnic minority communities are consistently disengaged.

## **14. Agriculture and Tourism**

### **Main points**

- ◆ Programmes are needed to lengthen the tourism season and diversify the tourism trade.
- ◆ Tourism provides opportunities for entry level jobs, the development of new skills for individuals with none, and the development of transferable skills.
- ◆ Local procurement needs to be encouraged to increase demand for agricultural goods.

Respondents reported:

- There is a seasonality of employment in agricultural and tourism areas. Programmes that lengthen the tourism season (i.e. diverse activities, transport schemes, skills development), and encourage 'localism' (local food procurement, use of local services) are needed.

- Developing products in growth markets such as activity tourism, cultural tourism, business and conference tourism and the short break markets will enable the Wales Tourist Board to extend the tourism season. This will, in return ensure that the employment opportunities within tourism are of a higher quality, offering more structured career development and higher skilled jobs, and open up opportunities to lesser skilled workers.

- Tourism provides opportunities for entry level jobs and the development of new skills for individuals with none, and tourism provides opportunities to develop and enhance a number of transferable skills that can be utilised in a number of service related roles. However, those furthest from the labour market may be lacking in attributes that the tourism industry depends on, such as people skills.

- There are examples of a scarcity of workers in the agricultural field, and many young people that have received training in agriculture go on to work in other fields. Consideration should be given within the farming sector to develop a programme that could connect those who live on pocket money, with the farmers who are seeking workers. This might contain an element of retraining for those who feel that they do not have the necessary skills level.

## **15. Other Factors**

### **◆ Personal Choice**

- For some inactive working age people a job is neither desired nor deliverable. This means having realistic expectations about how far working age inactivity can be reduced, even over the medium term. People have legitimate reasons for either not wanting to work or being unable to hold down a job at different points in their lives. Some people are just 'workshy' and deliberately choose not to take employment.

- Some may be involved in criminal activity to supplement their benefit income.

### **◆ Age**

- Respondents reported various ages at which they felt age discrimination became apparent. Respondents reported that:

- ◆ People feel 'left on shelf' at 45.
- ◆ Anyone over 50 is up against an 'old people are not worth employing' culture, especially those who are skilled and may be resistant to taking a menial job.

- There are a lack of jobs that appeal to the young.

### **◆ Personal Aspects**

Respondents reported that a number of personal aspects impacted on labour market inactivity. These aspects include:

- A criminal record.

- Drug and Alcohol Abuse (perhaps designated employers could help with the transition into employment).

- Pregnancy and early parenthood.

- Sexuality.

- Lack of aspirations.

### **◆ Homeworking**

- Taking jobs to people is not being pushed enough, especially broadband which could provide opportunities for homeworking for those with caring responsibilities.

### **◆ Public Procurement**

- Capacity building in the sector needs to be supported alongside work to raise awareness of social enterprise solutions amongst public sector procurers. There should be further support in implementing public procurement initiatives which maximise training and job opportunities for disadvantaged residents. Policy development is also needed to integrate



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the social enterprise perspective into broader procurement initiatives within Assembly departments and other public procurers such as schools and the National Health Service.

### ◆ Working Conditions

- Temping is a major obstacle to the New Deal model, as employers use agencies to fill vacancies.

- There is a greater expectation of better working conditions, often not met (especially with night shift work when not associated with high pay). Some specific aspects include:

- ◆ Low Pay.
- ◆ Long Hours.
- ◆ Bullying.
- ◆ Exploitation.
- ◆ Poor working environment.
- ◆ Lack of understanding from employers.
- ◆ Lack of respect for new starters.

## **16. Further studies and work to note**

- On 7 April 2004, Citizens Advice and Citizens Advice Cymru will publish a Social Policy report on CAB evidence on mental health and social exclusion, entitled *Out of Sight*. This will look at issues facing clients with mental illnesses in the work place, the benefits system and the credit industry. Accordingly, we would like to invite the Committee to consider the findings of this report.

- Citizens Advice also attached a response to the Department of Work and Pension's consultation on its Pathways to Work strategy in February 2002. This is further chronicled in the response to the Consultation by the Social Security Advisory Committee on the Draft Social Security (Incapacity Benefit Work-Focused Interviews) Regulations 2003 (also attached) which comments more particularly on the often negative effect of the assessment and decision-making process on awarding Incapacity Benefit (IB) and the approach to work-focussed interviews by Jobcentre Plus.

- Menter a Busnes is a member of the DEEP Development Partnerships that tackles inequality and discrimination in the workplace. This European project has commissioned some people who are not in work to conduct research work that is of interest to them. Undoubtedly some of this work will be of interest to the Economic Development Committee as it completes its proposed policy review and Menter a Busnes has encouraged them to contact you.

- The next major campaign that the Disability Rights Commission will launch in October will be on enhancing entry to the world of work for disabled people. We hope that the Committee will endorse and provide practical support to the campaign and encourage the WAG to do so.