



Following the recent publication of the draft Welfare Reform Bill and work undertaken by CLES Consulting this Local Work Case Study looks at employment and skills-based interventions, designed and implemented by Employment Regeneration Partnership (ERP) and Halton People Into Jobs (HPIJ). The interventions aim to reduce worklessness and help individuals return to work after long absences from the labour market, be that as a result of worklessness, long term unemployment or long term sickness related benefit claims. With this in mind, this Local Work Case Study will look at the ways that these agencies have engaged both employers and employees, supporting them to bend and change to meet the local challenges and effect long term sustainable change.

### Why?

Despite recent increases, only around 900,000 people claim Job Seekers Allowance in the United Kingdom. However, there are pockets of severe unemployment and high, and rising, levels of sickness related benefit claims. In addition, around 2.7 million non-employed adults in the UK claim sickness related benefits, with almost 2.5 million of those people claiming Incapacity Benefit (IB)<sup>1</sup>. The rising length of IB claims is also significant, the average claim lasts for eight years, and for the most part it is this rising length of claim that has contributed to the significant overall rise in the number of claims that has been witnessed in recent years. Furthermore, from April 2004 to March 2005, just under 8 million working age people in the UK were either not looking for, or not available for, work and were therefore classified as being economically inactive. High levels of worklessness in the UK, alongside IB claims, are particularly costly to Government as regards productivity. It is also costing those people willing and able to work, the opportunity to do so. Reducing worklessness and sickness related benefit claims could have a significant impact on the competitiveness of our towns and cities by raising productivity, improving job creation, boosting enterprise and increasing business start ups and success. This would be especially significant outside of

London and the South East where rates of IB claims and economic inactivity are often the highest but city competitiveness, often the lowest. The introduction of the Local Enterprise Growth Initiative (LEGI), which aims to enhance the enterprise and investment potential of the most deprived local areas and thereby boost local incomes and employment opportunities, also illustrates to commitment of the Government to improving the competitiveness of our towns and cities. Reducing the workless population and also the numbers of people claiming IB is likely to significantly aid this.

### Welfare Reform?

The Department for Work and Pensions has recently published the draft Welfare Reform Bill<sup>2</sup>, which in particular focuses on reducing the number of workless individuals and those claiming sickness related benefits. Published in July 2006, the Bill builds on the Welfare Reform Green Paper - A new deal for welfare: Empowering people to work. The approach is based on the principle that the best welfare policy of all is work, a principle that has already shaped much existing employment and welfare related policy. City Strategies and City Consortia have also been identified as a way that local stakeholders can deliver more if they combine and align their efforts behind shared priorities, and are given more freedom to innovate, and to tailor services in response to local needs.

### The challenges ... for policy makers

Currently, many benefit-related policy responses overlook existing claimants and trap many people into benefit dependency. This is partly a result of the lack of support available for claimants and potential employers, as well as for those who seek to support reengagement with the labour market and, subsequently, a return to work. For those involved in trying to tackle the problem of worklessness, locating and engaging with workless individuals, who often have very little interaction with state based support organisations or employment services and

## Welfare Reform: Supporting a Return to Work

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have been disengaged from the labour market for a considerable amount of time, is often very difficult. Nonetheless, managing the transfer from benefits and economic inactivity to sustainable employment, requires intense but also long term support and skills development, for both the employee and employer.

#### ... for employees

Workless individuals often need to re-establish a relationship with work that has been lost through long-term worklessness or sickness. They must also overcome a number of hurdles preventing sustained engagement with the labour market. Hurdles might include the need to overcome cultural barriers to work such as a culture of unemployment that has lasted several generations; the need to restore order to lifestyles that are not conducive to regular work hours; and possibly the need to find suitable and affordable childcare.

#### ... for employers

Challenges exist around developing the appropriate skills and confidence to recruit locally and support employees who have been outside of the labour market for sometime as well as feeling confident enough to recruit appropriately skilled, local employees.

### Challenges

Taking into account the challenges for policy makers, as well as the complex challenges facing individual employers and job seekers, there are a number of issues which must be addressed more adroitly by interventions designed to support a return to employment, these include:

**Supply AND Demand** - The needs of the local labour market, both supply and also demand, must be considered more explicitly. In order to be effective for employees and employers, interventions must understand and take into account the robustness of the labour market as well as the types of jobs that are available in the local area and the skills required by local employers. Effective interventions will ensure that the training offered to jobseekers addresses, as far as possible, the skills required by the labour market.

**Flexibility/bending and changing** - To address the massive and complex hurdles facing workless individuals, and to support the move into sustainable employment or training, requires a significant level of flexibility from employment support staff and return to work interventions. Flexibility is required to ensure that claimants are supported in ways that specifically relate to their capability to work and individual circumstances. As regards employers, it is important to recognise that supporting employees who have recently returned to work is a complex process and that employers' support needs must also be taken into account when designing training and interviewing potential employees.

**Long term or 'stock' Claimants** - Addressing the rising numbers of long term claimants is key to addressing the rising levels of worklessness. Whilst taking into account the needs of the genuinely sick, it is important to recognise that many people currently claiming IB may be able to return to work with the appropriate support and adaptations to the workplace environment.

**Geographic targeting: knowing the 'market'** - Employment support services must be able tailor their support to the local circumstances, they must be able to engage with the local workless population and must know how to adapt services to the needs of these client groups. Engaging with the local workless population is often difficult, owing to the isolation, geographic and other, of workless individuals, many of who do not interact or engage with the state in any way.

**Relationship with both employee and employers** - Employment support services must be able to build up relationships and foster trust with employers and claimants in order to facilitate the reengagement with the labour market and the movement towards sustainable employment and a higher skilled workforce.

**Long-term sustainable change** - addressing an employee's relationship with the concept of work is one of the greatest challenges facing employment support interventions. Interventions need to be intensive and require highly skilled and motivated staff to support individuals who have been disengaged from the labour market for an extended period of time.

**Linkages** - many employment schemes do not sufficiently link with wider regeneration, economic development, education and skills training programmes, as well as social inclusion activity that is already taking place within the local area. However it is important to do this, and thereby take into account the impact of other interventions, such as these, on the labour market.

### Solutions

This Local Work Case Study looks at a selection of interventions designed, by Halton People Into Jobs and Employment Regeneration Partnership, to support sustained employment for job seekers as well as a local, appropriately skilled workforce for employers, and will detail some of the ways each these interventions are able to address the issues outlined above.

#### Halton People Into Jobs

Halton Borough Council has made significant inroads into reducing unemployment in the borough and has narrowed the gap between itself, the region and national figures. However, the rates of economic inactivity are particularly stubborn and have largely stayed the same. However, Halton has developed a number of interventions that are addressing the challenge of connecting people to new jobs and making sure that opportunities within Halton are maximised for the benefit of local residents and businesses. Of these Halton People Into Jobs (HPIJ) is a major component.

#### Employment Regeneration Partnership

Formed in 2000, Employment Regeneration Partnership (ERP) is part of the Manchester Solutions Group (MS), and like HPIJ, works with employees and employers to find sustainable employment, training and recruitment solutions. It works with thousands of economically inactive and socially marginalised residents, offering them the chance to improve their skills, and take up employment and training opportunities. As well as helping people into training and

work, ERP aims along with the rest of the MS to make Greater Manchester more economically competitive and sustainable, and subsequently to raise the Gross Value Added of the sub region.

#### **Relationship with both employees and employers**

Since 1999, HPIJ has worked with Halton employers to improve the recruitment, training and employment of local residents, in the borough. They offer a range of support services to employers and employees in order to ensure employers and employees are ready to take advantage of economic opportunities in the borough, this includes attracting investment and supporting employers to develop in the Halton area. For employers, HPIJ undertake activities such as designing recruitment campaigns, placing adverts in the local press, sending out application forms and 'vetting' applicants to meet employers' criteria. In addition, HPIJ works with potential employees, in particular the long term unemployed and IB claimants, to ensure that they are appropriately skilled to be able to take advantage of employment opportunities within the borough, by offering training and support.

ERP also works with both employers and employees to address the skills and employment agenda from both perspectives. It seeks to reduce the barriers to employment by supporting individuals to overcome cultural barriers, ensures adequate training is offered and assists individuals back into the workplace by brokering employment opportunities with local employers.

#### **Supply AND Demand**

As part of the inward investment services of MS and the overall aim to drive up economic performance in the sub region, ERP works with employers seeking to locate and invest in Greater Manchester to train and recruit the staff required. ERP also offers job brokerage services, campaign management, search and select services, and candidate assessments.

The Halton Employment Charter is a free local initiative, which encourages Halton employers and residents to work together to improve employment and work skills, the employers who sign up to the Charter agree to recruit locally and help in the development of local residents, whilst HPIJ staff work with unemployed individuals to combat perceptions that they have about local employers and to encourage them to apply for local posts. The Charter enables HPIJ to ensure that workless individuals are interview-ready and to match skills to employer and local labour market requirements. HPIJ also uses the Charter to further develop the links it has with employers, support new inward investing companies to source their workforce from the local area and to encourage local long-term unemployed individuals to find sustainable employment with local employers, thus taking into account both the supply AND demand of the local labour market. The Virtual Business Forum also enables local employers to

communicate with each other and for HPIJ and Halton Borough Council to engage with employers to identify employment, training and support needs, and thus better understand the needs of local residents and workforce.

#### **Flexibility / bending and changing**

Effective and creative partnerships which serve to maintain a proactive consideration of emerging and ongoing issues in the local area are also vitally important. ERP tailors training and support to the needs of individual clients. In 2004/5 ERP delivered over two million training hours, including offering training solutions in several prisons in Greater Manchester and is about to begin to deliver the LSC 'Train to Gain' programme. Work placements are also arranged to help employees gain new skills, and update existing ones.

The Lone Parent and Non Working Partner employment initiative run by HPIJ also develops tailored programmes and supports individuals, addressing their specific needs over a 13-week programme. It engages with specific target groups identified via the Halton Employment Charter to tackle barriers that they may face when moving into employment.

#### **Long Term or 'stock' Claimants**

ERP offers a range of services and support aimed at different groups of individuals in particular long term claimants, and those with the most complex needs. The 'Skills for Life' training scheme is aimed at those furthest from the labour market and includes help to improve basic literacy and numeracy, as well as advice on filling out application forms, using public transport and dealing with bank statements and bills. In 2004/5, ERP supported over 5,000 people into employment, and engaged with over 14,000 residents. Confidential information, advice and guidance is provided for those individuals closer to the job market, who still need help in accessing opportunities and training. It includes activities such as help finding college courses, advice on what type of training might be useful, CV checking and interview preparation.

Focusing on the long-term unemployed and those people in receipt of work related benefits has been particularly important in Halton. The Halton Employment Charter training programme is an intensive programme (10am to 2pm every day for two weeks) that prepares people for work; provides individuals with suitable training; ensures they are able to access employment, training and skills information; and are able to respond to job opportunities. HPIJ also offer job brokerage and job searching services for their clients. The client is matched with the job broker at the end of the second week into Charter training. The job broker works on matching the skills of Charter participants to the recruitment requirements of employers in Halton. There is also a two week intensive 'jobsearch' course aimed at improving the searching, presentation, team work and communication skills of those who have been disengaged from the labour market for some time.

## Geographic targeting: knowing the 'market'

As has already been suggested, place blind or 'one size fits-all' solutions are unlikely to tackle the most complex and deep rooted of challenges as regards worklessness. ERP operates in 18 offices across Greater Manchester and through the partnership working it undertakes with organisations including many local councils, it is able to target its activities to the clients in each of these local areas. In addition to tailoring its services to the needs of individuals clients, HPIJ is a proactive service that targets specific groups in the borough. In particular, it focuses on lone parents; the long-term unemployed in receipt of working age benefits; people with health conditions and disabilities; young people aged 16-19 years; people aged 50 years and over; ; and residents in the most deprived areas, and engages people in their own communities. This is key to successfully supporting people from worklessness to sustainable employment.

## Long-term sustainable change

HPIJ works specifically with Halton residents and employers to help local people to find rewarding and sustainable employment with local employers. This is supported by, amongst other activities the 'In Work Support Service' - a job retention initiative that offers tailored support to Jobcentre Plus clients, who are supported into work and throughout the early stages of employment with the aim of sustaining the new employment and preventing a return to benefits/inactivity. The programme consists of 26 weeks of support from the day the client moved into employment. In addition, HPIJ clients are provided with support from the very early stages all the way to the job offer. Support on offer may be in the form of advice and guidance on job retention issues highlighted either by the client or the employer. HPIJ maintains a contact with the client, calling on week 2, 13 and 26 of employment. This is particularly important for those who have been out of the labour market for sometimes and who need regular and intensive support to maintain employment.

ERP's ethical recruitment agency Aspire is a key part of its services. Unlike other job agencies, Aspire pays its clients a fulltime wage even if there is no temporary work, allowing them to take up training and skills development to increase their chances of finding permanent employment, and they improve the overall career prospects. Employees can also move from temporary work to permanent without costs to the employer, saving employers the expensive fees that are often charged by their high street competitors. Aspire has boosted

the employment prospects of a significant numbers of local people by securing them employment, and has around 250 on its weekly payroll at any one time.

## Linkages

Connecting to strategies and linking with wider sub regional and regional agendas serves to create a more strategic fit and long-term solution to economic inactivity. HPIJ has strategic relations with a number of partners, including; Job Centre Plus, Halton College, the Shaw Trust, Crosby Training and Connexions. HPIJ are also able to offer a co-ordinated approach to large-scale recruitment and redundancy, by utilising Job Centre Plus resources. They offer financial advice and additional support to HPIJ clients, including 'In Work Benefit Calculations', advice on Working Tax Credits. As a result of ERP's location within the MS group, it is also able to link to wider inward investment, and economic development activity of the group, creating synergy between its activities and wider economic development of the sub region.

## Conclusion

Whilst it is clear that the rising levels of economic inactivity and the vast numbers of IB claimants will continue to remain a challenge for some time, the solutions offered by both HPIJ and ERP offer an interesting perspective on the challenges faced by workless individuals, employers and also policy makers. The solutions are based on flexible and individualised interventions that tackle, more adroitly, the complex barriers to employment. This Local Work Case Study has also highlighted the importance of responsive and flexible services which consider the long term development of the local economy, of employees and of employers as well as the needs of the labour market. Most important, however, is the need to link into other skills and training activity, regeneration, economic development and enterprise activity that is already taking place, for example LEGI. It is also important to look at the particular challenges that face communities in your area and to develop services and interventions that respond to these challenges.

## Further Information:

1. Department for Work and Pensions - [www.dwp.gov.uk](http://www.dwp.gov.uk)
2. The Welfare Reform Bill
3. ERP - [www.erpartnership.com](http://www.erpartnership.com)
4. HPIJ - [www.hpj.co.uk](http://www.hpj.co.uk)
5. CLES Rapid Research: Welfare Reform - [www.cles.org.uk](http://www.cles.org.uk)



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