

7: Creating and sustaining good jobs

Employment support provision should be localised and tailored to the needs of individuals. Jobs created should be good quality, decently paid and sustainable.

The challenge

The Coalition Government has instigated a range of welfare reforms with the primary aim of moving people off out of work benefits and into employment. Reforms have included testing the capability of Incapacity Benefit and Employment and Support Allowance claimants through the Work Capability Assessment and the introduction of the Work Programme as the singular employment support programme. Government argues the reforms have had an impact with significantly more people in employment and fewer people claiming Jobseekers Allowance than was the case in 2010. But there are a number of challenges associated with these interventions.

The Work Programme has operated on a payment by results basis and driven by private sector contractors. It has been far too easy to pick up an output fee for moving people into work, regardless of quality. Providers have often been unable to offer the individualised support required by those with multiple barriers to move into employment. VCS organisations, which have historically delivered on this, have struggled to engage with the programme because of the risks associated with the payment mechanism.

One of the groups hardest hit are young people. There are issues around those not in education, employment and training (NEET), where the

challenge is providing a rounded package of support which results in sustainable and quality employment.

For those supported into employment through the Work Programme, the jobs created have been short term, poorly paid and with poor terms and conditions. We have seen a growth in part-time employment and zero-hour contracts. As a result, people move into employment for short periods and then go back to requiring services from JobCentre Plus and Work Programme providers.

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Over five million working people across the UK do not earn the Living Wage and in work poverty is growing. There is also a proliferation of poor employment practices across employers, with challenges around pay and little opportunity for progression and development. Additionally, provision around employment support and practice has not been linked coherently into other economic agendas, notably around LEPs and Enterprise Zones.

What needs to be done?

To address these challenges and to create and sustain good jobs, we need to:

Bring in a new locally owned work programme

Government needs to provide places with the flexibility to develop their own localised and bespoke programmes for supporting people into employment. This is beginning to happen as part of the devolution agreement with Greater Manchester, where the combined authority is involved in the commissioning of Work Programme provision. The national programme should be abolished and replaced with local schemes.

The design and delivery of employment support provision is best determined at a local level. Local areas understand supply (the needs of those out of work) and demand (jobs available). Where led by local authorities, they will have key relationships with the local business community and they will have access to additional funding around work and skills including European Social Fund. Finally, places will have an understanding of the individualised support required by particular claimants and of VCS organisations best placed to provide that support.

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CLES has undertaken an array of work evaluating the effectiveness of employment programmes that show localised and bespoke approaches are the most effective. This is reflected in a publication around what works in tackling worklessness.²⁶

Embed the Living Wage

Businesses and other organisations need to recognise the benefits that paying a Living Wage brings to both their organisation and the individual employee. This includes enhanced productivity and a happier workforce. Local authorities and other public sector organisations have a key role in embedding Living Wage principles through their procurement processes. They should be encouraging contractors to pay employees working on public sector contracts a Living Wage.

Central government is the single biggest beneficiary from organisations paying their staff a Living Wage in terms of increased taxation and reduced in-work benefit payments.

CLES has undertaken work with local authorities exploring how they can support organisations to adopt Living Wage principles. This is summarised in a publication with the Greater Manchester Living Wage Campaign.²⁷

²⁶ Centre for Local Economic Strategies (2010) Making it work: analysing different ways of tackling worklessness. Manchester: CLES <http://www.cles.org.uk/wp-content/uploads/2011/01/Making-it-work-Analysing-different-ways-of-tackling-worklessness.pdf>

²⁷ Centre for Local Economic Strategies and Greater Manchester Living Wage Campaign (2014) Living Wage and the role of local government. Manchester: CLES <http://www.cles.org.uk/wp-content/uploads/2014/10/Living-wage-and-the-role-of-local-government.pdf>

Create a localised employment charter for the public sector and business

Different actors with a stake in activities around jobs and employment need to work more collaboratively. This means LEPs and local authorities working closely with businesses and other employers and with organisations providing support for jobseekers. Local employment charters can enable such relationships to develop and ensure any investment brings maximum benefit in terms of the creation of jobs for residents. It can also be utilised to ensure organisations provide decent working standards and conditions.

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CLES has indirectly supported the development of the City Mayor's Employment Charter²⁸ in Salford which is designed to help raise employment standards for employees and businesses across the city. It has three categories of pledges: putting Salford first; buying in Salford; and setting the standard.

Deliver a youth resolution

Central government should back a new approach to addressing youth unemployment. This would stipulate that all places commit to addressing youth issues particularly around employment, training and education. The resolution would then require localities through their local economic development activities through local authorities and LEPs to deliver a range of activities in coordination with businesses and other providers. These would include ensuring standards around fair pay and activities such as structured training and access to workplace mentors.

CLES is currently working with the Universities and Colleges Union to work up the content of a youth resolution.

The full Manifesto for Local Economies can be viewed on the CLES website, [here](#).

²⁸ More information on the Salford City Mayor's Employment Charter is available here: <http://www.visitsalford.info/locate/citymayorsemploymentcharter.htm>