

EMPLOYMENT ZONES: BACKGROUND INFORMATION

Introduction

Employment Zones were introduced in April 2000 to 15 areas with consistently high levels of long term unemployment. They pool funds for training, Jobcentre Plus support and the equivalent of benefit to maximise flexibility and give individuals more say in the choices which affect them. They are designed to help long term unemployed people to find sustainable employment. Participants are guaranteed an income equivalent to their net weekly benefit entitlement for as long as they remain unemployed.

- **Employment Zone Programme**

Eligibility: Employment Zones are a mandatory programme for participants, aged 25 or over, receiving Income-Based Jobseekers Allowance who have been unemployed for 12 or 18 months (depending on the Zone). Although the programme was initially introduced for long term unemployed people aged 25 or over, the Employment Zone approach has recently been extended to two further client groups: young people aged 18-24 years, who have already participated on New Deal for Young People, and lone parents. There are also a number of groups who may be considered for early entry to Employment Zones (see page 4).

Employment Zone Areas: 12 month Zones operate in Birmingham, Doncaster, Haringey, Heads of the Valleys and Caerphilly (HOVAC), Newham, Nottingham City, Plymouth and Southwark. 18 month Zones operate in Brent, Brighton and Hove, Glasgow City, Liverpool & Sefton, North West Wales, Middlesbrough with Redcar & Cleveland, and Tower Hamlets. HOVAC changed from an 18 month zone to a 12 month Zone in August 2000.

Employment Zone Contractors: So that jobseekers can benefit from expertise from the private as well as public sector, contractors applied for the work and were judged and chosen independently. In the new contracts, lone parents and people who would otherwise be returning to New Deal for Young People will also benefit from the Employment Zone approach. There are now two types of contract. The first type are the Single Provider Employment Zones where one contractor has been chosen to deliver the Employment Zone service. There are seven of these zones. The second type are the Multiple Provider Employment Zones that started on 26 April 2004, where more than one contractor will deliver the Employment Zone service. There are six of these zones. To make sure each contractor gets a fair share of the work, jobseekers will be randomly selected for each contractor.

Multiple provider arrangements will test whether competition between providers, when dealing with the same client group in the same labour market, will produce better performance.

Outline of process: There are three stages in the Employment Zone process. On Stage 1, the participant works with a personal adviser to draw together a costed Action Plan, they continue to attend the Jobcentre each fortnight and are paid JSA (IB). Stage 1 can last for up to 4 weeks. On Stage 2, the participant undertakes the actions prescribed in their Action Plan, they receive a nominal amount of JSA (IB) each fortnight from the Jobcentre and the contractor pays the remainder of their entitlement as 'subsistence'. Stage 2 can last for up to 26 weeks. On Stage 3, the participant begins employment and is paid a wage by their employer. For the first 13 weeks of employment, the contractor provides in-work support to assist the participant to remain in employment. Once the employment has continued for 13 weeks or more, the participant is deemed to have left the Employment Zone. All jobs are unsubsidised in nature.

Some participants will move directly from Stage 1 to Stage 3 without entering Stage 2 by finding a job. If a participant enters Stage 3, but loses their job before they have been employed for 13 weeks, they return to the stage that they were on immediately before starting work and are able to continue with that stage until their total duration on that stage reaches the maximum number of weeks allowed on that stage. In this way, some participants may spend longer than a year on the Employment Zone.

From July 2001, Zone participants who have been unsuccessful in obtaining a job after 26 weeks of active job-search in Stage 2 of the programme, are re-mandated to Zones after a further 13 week period of claiming JSA (IB).

Further Information

More detailed information on the Employment Zone Programme can be found on the Internet. The address of the Employment Zones website is: www.employmentzones.gov.uk.

Enquiries

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Criteria for early entry to Employment Zones

Some people have particular circumstances that make it harder for them to get work. They may be able to start an Employment Zone early if they are already getting Jobseeker's Allowance. Once they start the Employment Zone programme, they must continue.

This may include people:

- with a physical or mental disability
- that need help with reading, writing or numbers
- whose first language is not English, Welsh or Gaelic
- who are a lone parent that does not live with a partner and is responsible for at least one child living in their household (by partner we mean a person somebody is married to or a person they live with as if they are married to them)
- who have served in the regular armed forces
- who were looked after as a child by a local authority
- with a criminal record
- with a drug problem
- who have participated in Progress2Work
- that have been told by the Home Office that they are officially a refugee
- that have been given exceptional leave to enter the United Kingdom by an immigration officer