



Chapter 5

Sustainable employment for other disadvantaged people

We will strengthen the link between housing and employment support, and continue to raise awareness of in work Housing and Council Tax Benefits.

By raising the participation age to 18 and increasing the flexibility of provision we will reduce the number of 16-18 year olds not in education, work or training.

We will tailor our support for ethnic minorities to help them connect with the labour market and will work with employers to create more diversity in the workplace.

One million older workers will be encouraged to remain in or return to work through improved training opportunities and employer intervention.

We will continue to work across Government departments to support people with chaotic lifestyles.

Chapter 5 – Sustainable employment for other disadvantaged people

People living in social housing

Whilst Britain has one of the highest employment rates in the major industrialised world, more than half of the people in social housing are out of work. People with the greatest challenges to entering work are over represented in the social sector and face higher rates of worklessness, particularly inactivity, than those who live in other sorts of housing. People who live in social housing are also much more likely to suffer from combinations of factors which make it harder to move into work.

Around 18 per cent (700,000) of all carers are in social housing, particularly those caring for more than 20 hours per week. Employment rates for this group are particularly low, standing at 29 per cent. People with mental and behavioural disorders are over represented (forming 21 per cent of those with a disability in social housing compared to 13 per cent in other tenures) and have extremely low employment rates (13 per cent). More than 20 per cent of social tenants are lone parents, of whom almost a third have no qualifications.³¹

As well as high rates of worklessness, there are high rates of poverty in social housing. Around 49 per cent of children in local authority housing and 40 per cent of children in housing association accommodation are poor. This compares to 23 per cent of children living in privately rented housing, and 22 per cent of children nationally.

In summer 2006, Communities and Local Government commissioned Professor John Hills to carry out an independent assessment of the role of social housing in the 21st century. He was asked to look at the extent to which social housing contributes to other Government objectives, for example supporting people into work. The report was published in February 2007 and the Department for Work and Pensions and Communities and Local Government are now developing policies to help people in social housing into employment.

These policies will strengthen the link between housing and employment support, particularly at the point of entry into social housing. Jobcentre Plus will play a key role in enhancing links with housing organisations, including exploring ways of providing access to employment information in housing offices and improving referral processes between housing and Jobcentre Plus services. We intend that pilots to test these approaches will begin in 2008.

³¹ Figures relate to working age population, sources are the Labour Force Survey and Family Resources Survey.

Additionally, as housing associations are already engaged in giving their tenants employment advice and support, we would welcome bids from them in providing welfare to work programmes

We are also continuing with our work to raise awareness and understanding of in work Housing and Council Tax Benefits. Evidence shows³² that there is a general lack of awareness and understanding of these benefits and that if some customers had been aware that these benefits could be claimed in work then this would have made them more likely to move into work. We are taking forward policies to address this, including additional training material for Jobcentre Plus staff – so that they are aware of what an impact in work Housing and Council Tax Benefits can have – the development of an online Better-off Calculator and a broader communications strategy.

Young people not in work, training or education

The Government has attached a high priority to promoting young people's engagement with learning and training before they enter the world of work on a full-time basis. Having the skills they need to succeed in a changing labour market is increasingly important for young people. We have proposed that the minimum age young people can leave education or training in England be raised to 18.

Since 1997, there has been an increase in the number of young people staying on in education – 38 per cent of all 16 to 24 year olds, up from 33 per cent. For 16 and 17 year olds, three-quarters are now in education, up from just over two-thirds ten years ago.

On employment, the New Deal has helped 745,000 people into work and reduced 18 to 24 claimant unemployment. For 18 to 24 year olds not in education, unemployment has fallen from 13.2 per cent to 11.9 per cent.

Any young person not in education, who is not working or claiming benefits and needs help with the choices they face, can contact Connexions or careers services or Jobcentre Plus. The Government has also introduced the Education Maintenance Allowance to provide financial support for those young people for whom a lack of money is a barrier to staying in learning.

The September Guarantee was implemented in all local authorities in England in 2007. This is a commitment that all young people should be made an offer of learning by the end of September after they complete year 11. The Guarantee brings the Learning and Skills Council and local authorities together to focus on the young person making a successful transition into post-16 learning.

³² Caroline Turley and Andrew Thomas. *Housing Benefit and Council Tax Benefit as in work benefits; claimants' and advisers' knowledge, attitudes and experiences*. DWP Research Report No 383: <http://www.dwp.gov.uk/asd/asd5/rrs2006.asp#hbctbinwork>

While many more under 18s are staying in education, we need to do all we can to encourage those who leave school to re-engage with learning or move into work with training. We are exploring what more can be done for 16 and 17 year olds, including through piloting Activity Agreements to help them to re-engage and take up their right to an appropriate place in education or training or find a job with training.

The Department for Work and Pensions and the Department for Children, Schools and Families, together with Jobcentre Plus, local authorities and Connexions, are committed to work in partnership at a local level to improve engagement with young people and provide them with advice and support to develop the skills they need to enter and to thrive in education, training or work with training.

Where young people wish to move into employment with training, we will seek to improve on current joint working between Jobcentre Plus, Connexions and local authorities to improve the service offered to them in seeking their first steps in the labour market and preparing themselves for the world of work.

In building our records of young people and their needs, the Department for Children, Schools and Families and the Department for Work and Pensions will look to improve data sharing to ensure a joined-up service in helping young people in their search for employment or apprenticeships (where appropriate) and in their transition to benefits at the age of 18 where necessary.

The Government has proposed to strengthen the strategy on 16 to 18 year olds who are not in work, education or training by:

Further strengthening the tracking system, by requiring all learning providers to notify Connexions as soon as any young person drops out.

Increasing the flexibility of provision, so that if any young person drops out of education or training it will be easier for them to access an alternative place in learning quickly.

Extending Education Maintenance Allowance, so that young people on a wider range of courses can receive support; and so that all young people on Entry to Employment courses (which are particularly important for those at risk of not being in work, education or training) receive Education Maintenance Allowance.

Extending Activity Agreement pilots, so that they examine the effectiveness of engaging young people in an activity agreement as soon as they drop out of learning, rather than after an extended period of not being in work, education or training.

Extending the September Guarantee, so that 17 as well as 16 year olds have the offer of a place to continue or re-engage in learning.

Extending early entry to the New Deal for 18 year olds with a previous history of not being in work, education or training on a voluntary basis from April 2008, and a mandatory early entry to the flexible New Deal for 18 year olds who have not been in work, education or training for six months from April 2009.

People from ethnic minorities

British society is becoming far more diverse. For reasons of both economic efficiency and social justice, we need to maximise the benefits of a diverse workforce. As several respondents to our consultation acknowledged, this means two things: helping employers to overcome misconceptions that prevent their organisations recruiting ethnic minorities; and ensuring that Government develops more flexible ways of reaching and supporting individuals into work.

Overcoming misconceptions

Too often, common misconceptions about what jobs different groups can do prevent employers from utilising the skills and energies of ethnic minorities. A recent MORI survey for the Department for Work and Pensions and the Equal Opportunities Commission found a widespread view that Muslim families discouraged women from working – for example, almost four in ten people thought Pakistani and Bangladeshi women faced cultural barriers like this that prevented them working.³³ In reality, research shows these women, particularly younger cohorts, do want to work and 90 per cent of 16 year old Pakistani and Bangladeshi girls believed their parents supported them to combine work and having a family³⁴. These misconceptions and assumptions can hold women back in the labour market.

“Many people are ignorant of such cultures [Pakistani and Bangladeshi women] and have a limited understanding of them and that the DWP needs to educate people a lot more in regard to such cultures and how to deal with them more effectively and with greater understanding.”

Jobcentre Plus adviser, Bridgend

³³ *Closing the Gaps*, IpsosMORI Survey, September 2007.

³⁴ Equal Opportunities Commission, 2007. *Moving On Up?: Ethnic Minority Women at Work*. Participants at the EOC/Ethnic Minority Employment Taskforce Closing the Gap Summit, (22 September 2007) also supported this view, although some reported pressure from their families to follow particular careers that were deemed more professional or respected.

In the 2005 Pre-Budget Report, Gordon Brown commissioned the National Employment Panel to convene a Business Commission on Race Equality in the Workplace, including leaders of major private and public sector organisations. The Business Commission looked in particular at what measures were needed to help business tackle discrimination. The Commission reported in October 2007 with a number of recommendations to close the ethnic minority employment gap, including working with public procurement to encourage contractors to develop practices that promote a more diverse workforce. We will consider carefully the views of senior business leaders on how best to support employers to tackle misconceptions and promote equality in the workplace.

Over the last 10 years, the legislative framework has been strengthened to outlaw several forms of discrimination across society, and to place a duty on public authorities to have due regard both to the need to eliminate unlawful race, disability and gender discrimination and to promote equality actively. The Government is committed to introducing an Equality Bill in this Parliament, which will both consolidate and strengthen the law. This will be an opportunity to take stock of how best to promote equality further, including in employment.

Flexibility in response to diversity

The overall inactivity rate for ethnic minority women is 41 per cent³⁵, which rises to 65 per cent for Pakistani, and 67 per cent for Bangladeshi, women. Many of these women want to work, but relatively few are in contact with Jobcentre Plus or other mainstream services. These high inactivity rates are paralleled by a very high incidence of child poverty, with two-thirds of Pakistani children, and three-quarters of Bangladeshi children, living in poverty³⁶. We recognise that more needs to be done both to reach workless ethnic minorities and to tailor the support we provide to connect them better with the labour market.

For example, we are piloting Partners' Outreach for Ethnic Minorities in the six cities identified by the National Employment Panel³⁷ where the majority of ethnic minority people live. As a result of feedback to the consultation, we have decided to extend this pilot for a further year so that the lessons can be fully learnt and shared with City strategy pathfinder areas. We are linking Partners' Outreach for Ethnic Minorities with the Department for Children, Schools and Families' pilots to increase the uptake of childcare by ethnic minorities.

³⁵ All statistics from Labour Force Survey, Quarter 2, 2007 unless otherwise stated.

³⁶ Platt, L., October 2006 *Ethnicity and Child Poverty*, Paper for the Ethnic Minority Employment Task Force.

³⁷ National Employment Panel 2005. *Enterprising People: Enterprising Places*.

Language skills are critically important for those people who are seeking work. Many people, particularly from ethnic minorities, find poor language skills are a barrier to finding work. The Government is committed to ensuring that people with poor skills have those needs recognised through early screening and assessment and are able to improve their skills as part of their jobsearch preparation. We introduced funding changes to English for Speakers of Other Languages in August 2007 to target more effectively those who need most support. We will continue to review provision to ensure it is targeted and work-focused. In the London City Strategy areas we will pilot work-focused English for Speakers of Other Languages for parents, linked to other City Strategy initiatives.

We have learnt many lessons from Partners' Outreach for Ethnic Minorities and previous outreach programmes, such as our sponsorship of three Invest to Save Budget pilots³⁸, run by voluntary and community sector partnerships, in London and Yorkshire. We know we need to tailor our approaches to local populations, taking account of local diversity – for example, working with Muslim community organisations to reach a community detached from the labour market in some areas of the country. This is best done, not in Whitehall, but by giving local people control over resources to promote employment in a way that suits the diversity of their local population. This is why we are working with City strategy pathfinders to share our experience and to support them to deliver support that complements and connects to our mainstream services, in a way that suits their areas.

Communities and Local Government and the Department for Work and Pensions announced on 30 November 2007 a new drive to promote employment in the most disadvantaged communities, where many ethnic minorities live. As part of this joint drive, Communities and Local Government and the Department for Work and Pensions will combine resources at a local level to launch a new £1.5 billion Working Neighbourhoods Fund designed to stimulate local community involvement in tackling worklessness in a way that suits the diversity of their area.

³⁸ See www.isb.gov.uk

Ethnic minority Invest to Save Budget in action – outreach, cultural sensitivity and continued support

Rehan, a Pakistani man living in Bradford, had been made redundant from a local garage where he worked as a cashier. His confidence was very low after many unsuccessful job applications while trying to find employment on his own. He joined the Q4 Jobs programme run by QUD-UK, a social enterprise supporting ethnic minority employment, education and training. He chose Q4 Jobs after hearing about it on the local Asian radio station. Rehan felt comfortable dealing with an Asian voluntary organisation based in his area, and trusted in his community.

He attended:

- employability skills classes to improve his confidence;
- basic IT classes because IT is a requirement for most jobs; and
- jobsearch sessions.

His tutors at Q4 Jobs helped him to build his CV and coached him so that he could complete job application forms.

Rehan found work with a bank as a customer service clerk but had to leave almost immediately for family and health reasons. After a couple of months on Incapacity Benefit, Rehan felt able to look for work again. He returned to Q4 Jobs to use their jobsearch service that he had been told about previously. He soon found a new job working in a local post office as a counter clerk.

Older people

The UK has an ageing population: people aged 50 to State Pension age currently form a quarter of our workforce; by 2020 this will increase to a third.

To achieve our aspiration of an 80 per cent employment rate, we recognise the need to encourage one million older workers to remain in or re-enter the workforce. This is over and above the additional older workers required to keep pace with the demographic changes and those leaving Incapacity Benefit and returning to work. This is why we are making sure that our policies and practices are open to people who choose to work, and are making sure our policies are supporting the up-skilling and retention of our ageing workforce.

We are already committed to encouraging older people to remain in employment or return to work through the alignment of employment and training opportunities with other target groups. Our policies include:

Improving back to work help for the over 50s

- Since 2000, New Deal 50 Plus has helped over 170,000 people into work. Once the programme is subsumed into the flexible New Deal, the mandatory Gateway at six months will provide more help through jobsearch and support with skills, providing a wider range of help for the 50 plus customer group.
- We have improved back to work support for Jobseeker's Allowance claimants and their dependent partners who are over 50.

Improving training opportunities for the over 50s

We will use the measures outlined in this paper to improve access to training. Working with the Department for Innovation, Universities and Skills, we will support older workers to gain, remain and progress in work by:

- Ensuring economically inactive older people have the basic skills, including Level 2 literacy, numeracy and work-related skills, needed to sustain and progress in employment.
- Ensuring older people are aware of the additional 10,000 Adult Apprenticeship places available per year by encouraging stronger links with the new adult advancement and careers service, Learning and Skills Council and Sector Skills Councils.

Improving recruitment and retention opportunities for the over 50s via employer intervention

- The Age Positive initiative has provided help and information to over 1.4 million employers since 2002 and it continues to encourage employers to recruit and retain older workers, through age diversity good practice and a wider understanding of the benefits of employing and retaining a mixed age workforce. Further work continues to promote the benefits of providing flexible working and retirement opportunities for older workers.
- Age legislation came into force on 1 October 2006 and introduced a default retirement age of 65. If employers choose to have a retirement age, they have to use this, or a higher age, unless in their particular case they can objectively justify a lower age. It is our intention to review the default retirement age in 2011; a baseline survey has been published and further work is planned.

- Other supporting changes include more generous options for deferral of State Pension, introduced in April 2005, and changes to the pension rules allowing employees to draw all or part of their occupational pension whilst remaining with their employer, where pension scheme rules allow.

People with chaotic lifestyles

Many factors contribute to chaotic lifestyles, including for example addiction, criminal behaviour, and homelessness, as well as mental illness. Many of these issues cross the boundaries of various Government departments.

For example, around 100,000 people move from prison to benefits each year. We continue to work with the Ministry of Justice and the Department for Innovation, Universities and Skills to help people make the transition from prison, assisted by Jobcentre Plus staff based in prisons. There are huge benefits to the economy and society if re-offending can be reduced.

We are jointly working in two test-bed regions to take forward reducing re-offending through skills and employment action plans launched jointly by the three departments in 2006. The first line of support is our mainstream services, but for those with entrenched problems we will be recontracting a unified and very flexible progress2work and Linkup programme, offering extra help to recovering drug addicts, ex-offenders and homeless people, whatever type of benefit they are claiming. We are jointly supporting the Social Exclusion Task Force and Communities and Local Government in 14 pilots to develop innovative ways of supporting adults with chaotic lifestyles.

Milestones

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| April 2008 | Extend early entry to the New Deal for 18 year olds with a previous history of not being in work, education or training on a voluntary basis. |
| April 2009 | Extend a mandatory early entry to the flexible New Deal for 18 year olds who have not been in work, education or training for six months. |