

DWP Welfare to Work and
Equality Group

The 6 Month Offer

1. Introduction

1.1 The 6 month offer has been introduced as part of an enhanced range of measures to target additional support to the 6 month unemployed group and help overcome barriers faced by these longer term unemployed. Everyone reaching six months unemployed from April 2009 onwards will receive significant extra support from Jobcentre Plus.

1.2 The Government has pledged up to £0.5 billion over two years from April 2009 to fund this programme. It is estimated that the package will fund around 500,000 opportunities within the new options over the two years from April 2009

2. Purpose

2.1 The package offers assistance to 6 month unemployed Jobseekers Allowance (JSA) customers to improve opportunities for entering work or improving work-related skills in addition to the support already available through existing programmes for everyone. This will be achieved by a range of new measures which will be provided through Jobcentre Plus advisers. The options are access to Skills support, an Employer Subsidy, Volunteering opportunities and financial and training support to enter and sustain self – Employment. Accessing these options will be voluntary .

Gateway

2.2 The 6 month offer will be underpinned by enhanced support from Jobcentre Plus advisers. This will mean more time for customers to spend with their dedicated adviser reviewing their job search activities. Evidence suggests 75% of customers come off benefits before they are unemployed for 6 months. Those remaining are much likely to have significant barriers to work and will therefore need more support to overcome difficulties and boost motivation which the 6 month offer seeks to address.

Skills

2.3 A proportion of customers reaching 6 months unemployed may benefit from learning new skills to help them get employment. As part of the 6 month offer 75,000 new training places will be provided. This training will be short term and work focussed to meet the needs of employers.

Employer Subsidy

2.4 Evidence from New Deal programmes are that employers are concerned about the risks involved in recruiting the longer term unemployed. The recruitment subsidy seeks to overcome this barrier and so allow the longer term unemployed to compete for available jobs. It is worth up to £1000 for those employers who recruit customers who have been in receipt of JSA for 6 months or more. The subsidy will be available through two routes:

- a voucher given to the individual to allow them to market themselves to employers who are looking for employees; or
- in bulk for employers working with Jobcentre Plus in Local Employment Partnerships where a subsidy can be used alongside other recruitment services to support larger scale recruitment exercises.

2.5 The voucher will be issued to all customers at their first adviser interview once they have reached 6 months on JSA. The voucher will be valid until they reach 12 months unemployed or enter one of the Mandatory New Deals.

2.6 The recruitment subsidy may also be combined with access to Train to Gain support (England only) usually worth £1500 for in work up-skilling. This will provide a total of a package typically worth £2500 per person. Similar in-work training support is available in Scotland.

2.7 Like other parts of the offer recruitment subsidies will be provided at the discretion of the Jobcentre Plus adviser. Training is provided to advisers to ensure no groups are excluded from the offer.

Volunteering

2.8 A number of customers who have been unemployed for a long time will benefit from up to date work skills. Part of the 6 month offer will be access to around 40,000 volunteering opportunities. Volunteering will be conducted around work search. Again they will be short term and work focussed placements designed to enhance customer skills and boost a customer's CV.

Self Employment

2.9 For those who show an interest in self-employment there will be additional support which will comprise of two distinct elements:

- Access to a range of practical advice and support for those interested in moving into self-employment. Access to this support will be through Jobcentre Plus advisers and will be delivered through Business Link (in England) and devolved equivalents in Scotland and Wales. The support will:
 - cover both help line, web-based and face-to-face support;
 - be able to help a range of customers whether they need only limited technical information and advice to start up their own business (which will mean accessing core services already available) or much more intensive personalised help to overcome barriers to commencing self-employment (which will be specific provision laid on for our client group only); and
 - be available whilst a person is on benefit and when they start up in business.
- The offer of a Self-Employment Credit payable at £50 a week for the first 16 weeks after leaving benefit to ease the transition into self-employment and underpin finances whilst a caseload is being developed.

2.10 All the above strands are designed to overcome obstacles and disadvantages faced by longer term unemployed customers.

3. Equality Duties

3.1 DWP has carried out an equality impact assessment (EIA) on the proposal to introduce the 6 month offer to meet the requirements of the:

- Race Equality Duty.
- Disability Equality Duty.
- Gender Equality Duty.

3.2 This process will help to make sure:

- The Department's strategies, policies and services are free from discrimination.
- Due regard is given to equality (specifically disability, gender and race) in decision making and subsequent processes.
- Opportunities for promoting equality are identified.

3.3 This equality impact assessment considers the impact of the proposal of introducing the 6 month offer in terms of age, disability, gender, gender reassignment, race, religion and belief and sexual orientation.

4. Who will benefit mainly from this proposal or change?

4.1 Customers reaching 6 months will benefit from the additional help. The new offer will target help at long term disadvantaged customers. It will increase the likelihood of this group finding work. The offer will benefit in particular customers who experience difficulty in unsupported jobsearch, for example people whose written English skills are limited.

4.2 Increased adviser interest will improve their chances of finding employment. The range of options available should prove accessible to the 6-month plus client group and relevant given the recession. For example, on self-employment, there are already 3.8 million people in the UK who are self-employed and the self-employed are a very heterogeneous group, involving all ages, industries, occupations and skill levels. Those moving into self-employment are slightly more likely to be disabled or older compared to the employed population. In addition, previous recessions have indicated that self-employment has been an attractive option during previous recessions and self-employment levels have increased even as unemployment was still rising. During this recession numbers in self-employment have recently started to increase. This is mostly driven by female self-employment. (Evidence gathered from LFS February 2009)

5. Impact of proposal

5.1 A range of data have been analysed which shows that:

- Males make up around 70% of JSA recipients.
- The vast majority (around 85%) of JSA customers are aged between 18 and 49 years old.
- Around 75% of JSA customers are from a white background.
- Less than 10% of customers have a dependent partner.
- Under 10% of claimants have a dependent child.
- Customers with a disability make up around 15 % of JSA recipients.

5.2 To summarise from the data, customers are more likely to reach 6 months stage in their claim if they are male, older, from an ethnic minority group – primarily black, have a child under 5 or are a disabled person.

Gender

5.3 Table 1: Gender breakdown¹ shows whilst both men and women will have the same rights of access to the 6 month offer more men reach the 6 months unemployment point. The 6 month offer programme will promote equality by providing additional support to this group.

	Women	Men
JSA new claims 2007/08	30%	70%
Jobseekers reaching 6 months unemployment	27%	73%

Race

5.4 Table 2: Ethnicity breakdown² shows that if you are from an ethnic minority group you may remain in receipt of benefits longer than a non ethnic minority person. Therefore this proposal should help to promote opportunity for ethnic minority groups to find employment.

5.5 Around 20 percent of jobseekers reach the six months stage in their claims. The highest proportion of claims reaching six months (32 percent) is from Birmingham and Solihull district which have high levels of ethnic minority customers. Proportions of claims reaching six months from all districts in London areas are above the National level – this area has high levels of ethnic minority customers. The lowest rate comes from Somerset and Dorset district. The offer is therefore expected to actively help ethnic minority groups.

5.6 In addition the extra support offered by advisers will also have positive impact on those customers whom speak English as a second language as advisers will be able to offer them more intensive job search help.

	White	Ethnic Minority	Missing	Prefer not to say
JSA new claims 2007/08	75%	14%	2%	8%
Jobseekers reaching 6 months unemployment	73%	16%	2%	8%

Disability

5.7 Table 3 Disabled person's breakdown for receipt of Jobseekers allowance shows that disabled people are more likely to still be in receipt of benefits at six months³. Disabled people can have early access to the 6-month offer through fast-tracking procedures which will ensure they will have earlier support.

5.8 In addition the majority of disabled customers receive a different benefit, for example Employment Support Allowance and have access to a range of help and support through alternative routes.

¹ Data taken from the Office for National Statistics, <https://www.nomisweb.co.uk/Default.asp> and the New Deal Evaluation Database

² Data taken from <http://www.dwp.gov.uk/asd/tabtool.asp> and the New Deal Evaluation Database

³ Data taken from <http://www.dwp.gov.uk/asd/tabtool.asp> and the National Benefits Database and New Deal Evaluation Database

5.9 In addition evidence suggests a high number of disabled people wish to become self-employed and access to this provision through fast track options will mean that disabled people will receive this help. This proposal will therefore help disabled people.

	Disabled
JSA new claims 2007/08	14%
Jobseekers reaching 6 months unemployment	19%

Age

5.10 Table 4 Age breakdown⁴ shows that there are a higher percentage of customers aged between 25 and 49 who continue to be unemployed past 6 months. The 6 month offer will actively seek to redress that imbalance and certain options such as self-employment may prove attractive for this group given their over-representation in the self-employed population.

5.11 In Job Seekers Regime Flexible New Deal Phase 2 areas the package will be for customers aged 25 and over only. People aged under 25 in these area will not be disadvantaged, however, as they will have access to alternative New Deal for Young People provision from the six-month point of their claim.

	Under 18	18 to 24	25 to 49	50+
JSA new claims 2007/08	2%	40%	47%	12%
Jobseekers reaching 6 months unemployment	1%	33%	53%	13%

Sexual Orientation

5.12 There is no data available on the sexual orientation of customers who will be impacted by this proposal. However it is anticipated that there will be no negative impacts as a result of this proposal.

Religion or Belief

5.13 There is no data available on the religion or belief of customers who will be impacted by this proposal. However it is anticipated that there will be no negative impacts as a result of this proposal.

Human Rights

5.14 No Human Rights impacts have been identified for this proposal.

5.15 The targeted range of help and support will encourage increased employment chances for longer term, unemployed customers who, evidence suggests are more likely to be from ethnic minorities, disabled, older men, by providing equality of opportunity for these groups.

5.16 The impact assessment has identified that there is no adverse impact upon any of the equality strands and that there is no evidence of any disproportionate effect as a result of these changes.

⁴ Data taken from the National Benefits Database

6. Conclusion

6.1 The conclusion reached is that the 6 month offer will actively target help at a disadvantaged group of customers including ethnic minorities and disabled persons. There is no adverse impact or indirect discrimination.

6.2 There will be overarching evaluation which will seek to ensure that there are no negative impacts. DWP have commissioned an external research consortium to independently evaluate the six month offer. As part of the evaluation and monitoring, the impact of the six month offer on different customers groups, and their experience of the offer will be addressed.

6.3 To meet the aims of the evaluation, a range of methods will be used incorporating qualitative and quantitative approaches. Evaluation will start in April 2009 and last for two years. Qualitative research will be used to provide early feedback on how the 6 month offer is working which can be used to subsequently improve processes where necessary. Customer surveys will also be used to track the outcomes and experiences of customers. An initial report of early findings will be published by the end of 2009 in the DWP Research Report series.

6.4 This assessment will be reviewed annually by the Job Seekers Regime Flexible New Deal Project board. The first review will be undertaken in April 2010 to allow information from the early stages of evaluation to be included.

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