

# SLIM – Comment

## Building Britain's Recovery: Achieving full employment

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This brief SLIM-Comment addresses the DWP White paper **Building Britain's Recovery: Achieving full employment** published earlier this week (15 December) which restates the Government's response to the recession and signals the start of the programme to return to full employment.

The White Paper sets out how the Government intends to combat the effects of this recession and continue on the path to its ambition of 80% employment. It lays out plans to get thousands more young people into jobs and training more quickly, plans to help older workers, and further plans to deliver a more flexible, personalised service.

*“Our aim is not just to get people into jobs, but to help people stay in work, progress in work, and find employment that is satisfying and that fits with the rest of their lives. This White Paper lays out the steps that will take us ever closer to full, fulfilling employment: helping people back to work, giving people the opportunity to progress in their job and giving people the chance to balance their work and family lives.”*

The White Paper contains details of the £400m package that will be funded by savings due to unemployment being lower than expected in this year's Budget.

I hope you find it useful.

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## SUMMARY

Over 100,000 new opportunities for young people will mean that everyone under 25 will be guaranteed a job, training or work experience after six months unemployment. The White Paper also announced a guarantee that every person on benefits for at least six months, whatever their age, would be at least £40 a week better off when moving into work. This new back to work credit will “guarantee work pays”.

This is the next step in the reform of the welfare system to make sure work pays and help people off benefits and into jobs, reforms which are supported by major changes to Housing Benefit (also published this week).

The White Paper ‘Building Britain's Recovery: Achieving Full Employment’ sets out a £400m programme over the next 18 months, including £300m to tackle youth unemployment.

## CONTEXT

The White Paper sets out the Government’s vision and outlines why policy has been enacted to date to address the recession:

*“Previous recessions left deep scars as those hit by long-term unemployment found it hard to get work even when the economy and jobs started growing again. That is why we have been determined to prevent the growth in long-term unemployment, particularly among young people, that we saw in the 1980s and 1990s, so we never again condemn a generation to worklessness as happened then. This White Paper sets out further measures we believe are necessary to help bring down unemployment next year, as well as plans to help us return to full employment and to make employment more fulfilling too.”*

Over the last 18 months the world economy has been hit by the biggest economic storm for many generations. Countries in every corner of the globe have seen credit squeezed, businesses hurt and jobs hit.

Here in the UK, the Government set out last year to do “everything possible to help families hit by recession”. Investing £5bn in tackling unemployment and helping people back into work. Unemployment has risen, with 1.64m people now claiming Jobseeker’s Allowance, and young people making up a disproportionate share of this group.

The Government's action appears to have made a difference – certainly we have not seen the rise of inactivity and long-term unemployment that characterised the 1980s and 1990s recessions and people continue to find new employment reasonably quickly.

Nonetheless, unemployment is still expected to rise into the New Year. This White Paper sets out proposals to tackle the effects of the recession and to get back to full employment in the future. In particular, it announces substantial new measures to ensure the recession does not give young people the worst possible start to their working lives. It sets out the next stage of welfare and employment reform to help more people back to work and make sure they are better off in work. But it also makes clear that the approach is not just to get people into work, but to keep them in work.

## **THE WHITE PAPER**

The implications for the White Paper are dealt with in the following sections.

### **New support for young people to get them back in work**

- A dedicated personal adviser from day one of their unemployment claim and more time with an adviser throughout their claim.
- Extra support for 16–17 year olds from Jobcentre Plus, working closely with local Connexions services.
- A new subsidy for employers taking on 16–17-year-old apprentices.
- A January guarantee for 16–17 year olds who are not in education, employment or training (NEET) of an offer of an Entry to Employment place, and Education Maintenance Allowance to go with it.
- A new Young Person's Guarantee for 18–24-year-olds that, if they are still unemployed after six months, they will be offered a job, training or internship and will be required to take it up before they complete 10 months on JSA (announced in Pre-Budget Report).
- The Graduate Guarantee that graduates still unemployed at six months will be offered a graduate internship or other support (announced in the Queen's Speech).
- Over 100,000 government-funded additional training and job opportunities, on top of the 300,000 already pledged for the next 18 months, to help deliver the Young Person's Guarantee.

### **Support for people who reach 24-months unemployment**

- Focus on mandatory activity, personalised support and enhanced help in unemployment hotspots

### **Supporting people to progress in work**

- Fast-tracking people with a poor employment history so they get access to greater support from the start of a new unemployment claim.
- Improving links between Jobcentre Plus and the new adult advancement and careers service so that, when people enter work, they will be able to talk to career experts about the skills and training they need to stay and progress in work.

### **Helping unemployed people start their own business**

- Bringing forward advice, support and financial assistance earlier in JSA claim, with intensive support and a self-employment allowance available from three months of unemployment. Advice available from day one.

### **Skills training**

- Setting up a single budget between the Department for Work and Pensions, and the Department for Business, Innovation and Skills to fund training for the unemployed.
- Skills accounts bring together in one place the skills training that an individual will be able to access in their local area.
- Skills accounts will help Jobcentre Plus advisers and individuals have a consistent and meaningful discussion about training options.
- New funding to ensure people on JSA who take up training have their travel and childcare costs paid.

### **New internship scheme for students from low-income backgrounds**

- Provides bursary-style support for undergraduates to take short unpaid internships in professions with historically poor access to people from low income backgrounds.

### **Better Off in Work Credit**

- Introduction of a £40 a week Better off in Work Credit, guaranteeing that everyone who moves into work after being on benefit for six or more months will be at least £40 a week better off.

### **More support for over-50s**

- More tailored support for the over-50s, including help to tackle age discrimination and fast tracking to more support.

### **Support for parents and carers**

- Introduction of new legislation allowing lone parents who have a youngest child aged under 16 and are engaged in full-time study or training to claim Income Support in the summer period, instead of JSA.

- Trial of a low cost loan scheme – providing parents with affordable loans to cover the upfront costs of childcare.
- Using improved IT and action through Jobcentre Plus to promote part-time vacancies and make it easier for people looking for part-time work.
- Making enterprise and employment support more accessible for parents by providing it in locations by schools.
- Consultation to help people meet their caring responsibilities while remaining in work. This may include additional unpaid leave for planned responsibilities such as hospital visits and unpaid leave for carers of someone with a terminal illness.
- Ensuring the benefits system encourages lone parents to try out work for a few hours a week as a stepping stone towards a move off benefits.
- Widening access to free school meals for those in work, as announced in the Pre-Budget Report.
- Raising the earnings limit within Carer’s Allowance from £95 to £100 a week.
- The launch of the Family Friendly Working Hours Taskforce which will look at what more needs to be done to make work more family friendly. The Taskforce will report in the spring.
- Exploring how best to recognise those employers with exemplar flexible working practices, for example through a voluntary kitemark.
- Jobcentre Plus will do more, using new IT, to identify jobs which can be offered on a part-time or flexible basis.

### **Partners of JSA claimants**

- Acceleration of plans to make out-of-work partners of benefits recipients who can work look for a job – ending the historic anomaly whereby partners could claim benefit without seeking work when they are able to do so.

### **Housing Benefit Changes**

Consultation on a number of reforms including:

- Fixing HB payments at the out-of-work rate for three months when an individual moves off benefits into work.
- Reducing the uncertainty surrounding HB payments by moving to fixed period awards (of up to six months).
- Ensuring the benefits system does not support customers to be housed in very high-cost accommodation that would be unaffordable if they moved off benefit.

### **Further Support for disabled people**

- An increase in personalised help.
- The roll out of Employment and Support Allowance (ESA) and Work Capability.

- Assessment to those currently on benefits.
- A review of Pathways to Work.
- Increased health support for those on JSA.
- Expansion of Work Choice and Access to Work.
- The introduction of a national network of mental health co-ordinators in Jobcentre Plus.
- Considering the scope to passport people moving from ESA into work on to the disabled worker element (worth up to £48.50 a week) and 16-hours rule in Working Tax Credit.

#### Launch of 'Fit Note'

- Launch of the 'fit note' to replace the old 'sick note' and to provide greater support for employers to help them keep their employees in work (piloting Fit for Work services, piloting an occupational health *advice*line for small businesses, refreshing business health check tool and developing an employer toolkit).

#### Modernising Jobcentre Plus

- Exploring different models of flexible, personalised support, including piloting a delegated flexibility model in four Jobcentre Plus districts.
- Introduction of a revised learning and development structure, offering advisers accreditation of their advisory skills.
- Development of an extended online jobsearch facility with automated job matching and an integrated system of personal accounts.
- Inviting local partners to have a greater influence and involvement in commissioning processes.
- Increasing Jobcentre Plus' outreach services, working with local authorities and other partners in some of the most deprived parts of the country.
- Working with private and voluntary sector providers to test approaches in which a contractor takes on people from different benefits and provides the help that individuals require to get into work, with payments increasing the higher proportion of people the contractor moves into sustainable jobs.
- Building on the Total Place pilots to integrate better the support offered by Jobcentre Plus and other providers to ensure services are joined up and tailored to the specific needs of local communities.
- Review of the performance management structure for Jobcentre Plus and its partners with the aim of establishing a coherent single system based on sustained employment outcomes.

## SLIM COMMENTS

It is a little surprising to see such a comprehensive White Paper so close to an election and the content makes it the most wide-ranging for years. SLIM welcomes the new ambition to get over one million more people into work over the next five years and the White Paper's detailed proposals should both help claimants find work now and benefit from the recovery when it comes.

## LINKS

**Building Britain's Recovery: Achieving Full Employment - *Executive Summary***

<http://www.dwp.gov.uk/docs/05-building-britains-recovery-executive-summary.pdf>

**Building Britain's Recovery: Achieving Full Employment – *Full Report***

<http://www.dwp.gov.uk/docs/building-britains-recovery.pdf>



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