

DEMOS

WORKING TOGETHER

THE CASE FOR UNIVERSAL
EMPLOYMENT SUPPORT

ANDREW PHILLIPS

MAY 2022

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Andrew Phillips

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RELATIONAL PUBLIC SERVICES AT DEMOS

In July 2021 Demos published *The Social State: From Transactional to Relational Public Services*, kicking off a major new research programme to reimagine public services. The programme is building a credible policy agenda for 21st century public services with citizen experiences at the centre. As part of this, Demos is exploring in more depth three areas of public service: local government, employment and back to work services, and policing.

60-SECOND SUMMARY

This report is the third in a series from Demos on relational public services - that is, services which strengthen the relationships between public servants, service users and other citizens through the way they operate.

The report examines employment support services, which help people find work. It recommends introducing a new system, the Universal Work Service, which will offer integrated employment support, skills and careers advice services. Delivered and commissioned at a local level, this service will offer universal support to anyone who wants to find, stay in or progress in work. It will replace the fragmented set of services which currently exist, including Jobcentre Plus, separate employment support programmes, adult skills funding, and the National Careers Service. The Universal Work Service is a fundamentally different model compared to the employment support, skills and careers system that currently exists in the UK, designed to help the UK address the economic challenges of falling labour market participation, an underskilled workforce, an ageing population, rapid technological change, and the need to transition to a low-carbon economy.

The Universal Work Service will improve employment outcomes by strengthening two key relationships: the relationship between a citizen and their one-to-one coach, and the relationships, or social capital, between citizens themselves. It will build on and utilise the existing high-quality services provided by professionals and organisations working in the employment support, skills and careers sectors. By integrating services so that they work together in local areas, it will deliver better outcomes for individuals, employers and the wider economy. The Universal Work Service will help the government to achieve its Levelling Up missions, support local economic growth, and improve people's lives, social capital and wellbeing.

EXECUTIVE SUMMARY

This report is the third in a series from Demos on relational public services - that is, services which strengthen the relationships between public servants, service users and other citizens through the way they operate.

The report examines employment support services, which help people find work, and are delivered by a combination of public, private and third sector organisations. It explores how effectively the current system of employment support builds the strong relationships which are vital for achieving the key outcomes of people finding and staying in work. Other researchers have described the importance of relationships in this context, but this is the most in-depth report specifically examining the current state of relationships in employment support services. The report argues that these relationships should be central to how employment support services operate and, in order to achieve this, it proposes introducing a new Universal Work Service.

A NEW SYSTEM OF EMPLOYMENT SUPPORT IS NEEDED

1. The current system isn't designed to build strong relationships

Relationships are central to effective employment support. First, a strong working relationship built on trust between a citizen and their one-to-one coach is key to achieving good outcomes. But we find that Jobcentre work coaches' dual role in providing employment support and administering benefits undermines trust in these relationships. Employment support from Jobcentre Plus work coaches is provided to benefit recipients, but this excludes millions of people across the UK who would like to find work, or work more hours, but who aren't receiving benefits - meaning many of them are missing out on receiving support.

Second, relationships between citizens, or social capital, also play a key role in helping people find jobs: a wide range of studies both in the UK and internationally suggest that between 30% and 70% of people rely on social connections to find jobs. One UK study found that having just one more friend in employment increased the probability of an individual moving into work by 15%. But the current Jobcentre system isn't designed to build social capital, and primarily focuses on encouraging people to make online job applications, a process which doesn't usually strengthen people's social connections.

2. The current system is fragmented and centralised

Employment support, skills and careers services should work together to help people engage with the labour market. At the moment these different services are fragmented: employment support services are run by a large number of different organisations, and skills provision and careers advice also operate separately. Although there is some partnership working between services, there is a lack of co-ordination, with organisations having different funding sources, priorities, working cultures and lines of accountability. This makes it difficult for both individuals and employers to navigate the system.

These services are also overly centralised, more so than in other countries: policy, funding, and service delivery or commissioning is largely controlled by central government departments across Great Britain. Local areas don't have enough opportunities to shape employment, skills and careers services so that they support local strategies, priorities and needs.

3. The current system isn't able to address the UK's economic challenges

The UK faces a number of short- and medium-term economic challenges. Since the pandemic, there has been a fall in labour market participation, partly due to older people stopping work due to ill health or early retirement. The current system offers little employment support to people unless they are receiving benefits, which means many people are not able to access support which could help them return to work. There is also low awareness of services which are universally accessible, such as the National Careers Service.

In the longer-term, the UK has an ageing society, which means employment support for older people will become increasingly important. However, employment support services' outcomes for older people are worse than other age groups, suggesting change is needed given the UK's demographics.

The transition to net zero and technological change driven by automation and AI will bring disruption in some industries and new opportunities in others. But the current system isn't able to address these changes: it is too reactive, offering support to most people only after they lose their job, and its fragmented and centralised nature means it isn't able

to support local economic strategies for meeting these challenges.

A UNIVERSAL WORK SERVICE CAN IMPROVE OUTCOMES BY MAKING RELATIONSHIPS THE HEART OF EMPLOYMENT SUPPORT

This report proposes a new Universal Work Service, designed to place strengthening relationships at the heart of employment support. The Universal Work Service will offer support to all, be delivered at a local level, and integrate employment support, skills and careers services. It will replace the fragmented set of services which currently exist, including Jobcentre Plus, separate employment support programmes, adult skills funding, and the National Careers Service.

There are many professionals and organisations in these sectors who help people find jobs and make a difference to their lives - from Jobcentre Plus work coaches, to specialists supporting people with mental health conditions, to charities helping young people facing disadvantage. This report makes the argument that a new system is needed to overcome the three key problems set out above, while recognising that the new Universal Work Service must build on existing expertise and good practice.

TABLE 1

| CURRENT SYSTEM OF EMPLOYMENT SUPPORT, SKILLS AND CAREERS SERVICES | UNIVERSAL WORK SERVICE |
|--|---|
| Employment support largely restricted to benefit recipients | Universal access, with more support offered to those with greater needs, offering holistic support to help people find, stay in or progress in work |
| Most services delivered or commissioned by central government | Services delivered or commissioned by combined authorities or groups of councils in England, and devolved governments in Scotland, Wales and Northern Ireland |
| Employment support, skills and careers services fragmented and poorly co-ordinated | Employment support, skills and careers services integrated to help both individuals and employers |
| Transactional relationships between citizens and coaches in system influenced by compliance and benefit administration | Strong working relationships built on trust developed between citizens and coaches |
| Primary focus on individual's actions in applying for jobs online | Services will strengthen social capital as a key priority in supporting people |

A Universal Work Service will strengthen relationships

The Universal Work Service will be designed to strengthen relationships, both between citizens and coaches and between citizens themselves. It will be a universal public service, offering support without eligibility requirements. This is a fundamentally different model compared to the employment support, skills and careers system that currently exists in the UK, but it is not unusual by international standards: in the US, for example, American Job Centers provide universal access to all citizens. Working relationships between citizens and coaches will be strengthened through co-production of shared goals for people to achieve through their interaction with the service. Removing benefit administration from the service will increase trust in these relationships. To support this agenda, there will be a greater emphasis on professional development for coaches working in employment support, recognising the role as a skilled public service job. The service will also prioritise strengthening citizens' social capital through approaches such as mentoring, peer groups, events and social prescribing.

A Universal Work Service will join up different service providers

Combined authorities or groups of councils in England and devolved governments in Scotland, Wales and Northern Ireland will be responsible for running the Universal Work Service, integrating employment support, skills and careers services so that they work together effectively. This will help facilitate personalised support, make it much easier for people to find the right service for them, and will strengthen links with employers so that people are matched with jobs in a way that supports local economic strategies. As physical locations, Work Hubs will replace Jobcentre Plus offices. These Work Hubs will take a 'one stop' approach by co-locating an integrated set of services in one place, potentially alongside wider local public sector and charitable services. High-quality digital services will complement physical locations, offering an equivalent 'one stop' approach with digital resources for employment support, skills and careers.

A Universal Work Service will help people navigate tomorrow's economic challenges

The Universal Work Service will strengthen the resilience of the UK's workforce, helping people adapt to the opportunities and disruption of economic change by offering proactive support. It will contribute to a 'preventative' approach, whereby people are offered support to stay in work, learn new skills or switch sectors before they become unemployed, as opposed to the current system which is largely reactive. This can be particularly important for older workers, who may need to learn new skills or be supported to overcome health challenges. The locally-run Universal Work Service will address the needs of local labour markets, helping people find employment in growing sectors and supporting local employers to thrive.

Towards a Universal Work Service

This report recommends a major set of policy reforms, which will require further detailed work to implement. At the end of the report, a number of these issues are briefly covered, including the interaction with social security, funding, accountability, branding, and the role of digital services. The UK can learn from international examples in many of these areas.

Work is a fundamental part of most people's lives, and brings with it a wide range of individual, social and economic benefits. Demos is committed to exploring the ideas in this report further, so that everyone who wants it can find good work in the UK in the 21st century.

SECTION 1

INTRODUCTION

OUR RESEARCH ON RELATIONSHIPS IN EMPLOYMENT SUPPORT

This report is the third in a series from Demos on relational public services. The first report, *The Social State: From Transactional to Relational Public Services* argued that we need to reimagine our public services in the aftermath of the pandemic. It set out why we need to move away from a transactional model of public service delivery which treats people as atomised individuals and focuses on processes, toward a model that fosters strong relationships, strengthens communities and improves outcomes.

Our second report, *Locating Authority: A vision for relational local government*, examined what this agenda means for local councils. It argued that relational local government has three core pillars: genuine power sharing, spaces for connection, and consistent and open communication.

This third report applies the relational lens to employment support services - that is, support offered to people to help them find work. The primary way this is delivered in Britain is through the Jobcentre Plus network run by the Department for Work and Pensions (DWP), although there are also a large number of other organisations which deliver employment support, including private sector providers, charities and social enterprises, housing associations, and other public sector organisations, including the NHS and local councils.¹

More widely, this report draws on the ideas in the series of papers entitled *Making Democracy Work* by Polly Mackenzie, Chief Executive of Demos. The series makes the case that the success of a

democracy depends on a strong society founded on trust and relationships - between people and each other, people and the economy, and people and politics. The fourth paper in the series argues that we need a 'gravitational state': one that pulls people together into a cohesive society. Employment support services have an important role to play in that, by helping as many people as possible to participate in the economy through work, and by strengthening citizens' relationships with each other.

The idea of thinking about relationships in the context of employment support services is not new. Tom Pollard pointed out the centrality of the relationship between the citizen and their one-to-one coach in a paper published by Demos in 2019, and numerous employment support professionals work hard every day to build those strong, trusting relationships with the people they are supporting.² Practitioners such as Hilary Cottam have highlighted the importance of people's relationships with other citizens - their social capital - in helping them find work, and demonstrated practical ways to strengthen people's social connections.³ Going further back, Stephen McKay wrote for Demos in 1997 about the importance of social networks in finding jobs, in a paper which argued that public policy should pay far more attention to the importance of these networks in people's lives.⁴ This report builds on these insights and expands the argument as to why relationships should be central to employment support services. By redesigning employment support services so that they strengthen relationships, they can improve outcomes by helping more people find, stay in and progress in work. Simultaneously, we believe fostering those relationships will have wider benefits: reducing loneliness, strengthening communities and

1 In Northern Ireland, employment support is formally devolved, and is the responsibility of the Department for Communities

2 Pollard, T. *Pathways from Poverty: A case for institutional reform*. Demos, 19 January 2019. Available at <https://demos.co.uk/project/pathways-from-poverty> [accessed 19/04/2022]

3 Cottam, H. *Radical Help*. Virago, 2018.

4 McKay, S. *Escaping Poverty: From safety nets to networks of opportunity*. Demos, 1997. Available at demos.co.uk/files/escapingpoverty.pdf?1240939425 [accessed 25/03/2022]

helping people progress in work in the medium-term through stronger social networks.

Methodologically, this report draws on the following sources:

- A poll of 10,000 people, weighted to be nationally representative of the UK, from July 2021
- Semi-structured interviews and a focus group with people receiving employment support from a Jobcentre Plus work coach, conducted in August and September 2021
- A roundtable discussion and one-to-one interviews with a range of stakeholders, including employment support organisations, policy experts and academic experts
- A literature review of UK and international evidence, focusing on relationships in employment support services and wider employment support, skills and careers policy

WORK IS GENERALLY GOOD FOR PEOPLE'S WELLBEING

Why should the state provide employment support services? There are a number of answers to this question, including the role of work in building social connections and trust between citizens, helping people earn more, enabling businesses to access labour, growing the economy by increasing labour market participation, and reducing government expenditure on social security. There is also another way of answering it, which is to focus on the impact of working - and not working - on people's wellbeing.

Among the working-age population, work has a positive impact on people's wellbeing, while being unemployed or economically inactive has a negative impact.^{5, 6} The effect is more important than gain or loss of income: work delivers other social and psychological benefits.⁷ A 2019 paper, based on longitudinal survey data from the UK, found that even working only a few hours (1-8) per week is sufficient to benefit from work's positive impact on

wellbeing.⁸

Changes in economic status also have noticeable effects on wellbeing. Losing a job has a negative impact, while finding a job has a positive impact - although the negative impact of unemployment is greater than the positive impact of re-employment.^{9, 10}

¹⁰ The negative impact of becoming unemployed is not temporary: people do not adjust to being out of work, and so it has a long-term negative impact on their wellbeing.¹¹ Being unemployed is also associated with increased feelings of loneliness.¹²

The evidence suggests two conclusions. First, employment support services should aim to help as many people as possible to find work, supporting those who face barriers to overcome them (while of course recognising that there are some people for whom work won't be appropriate). Second, given the negative impact of losing work, employment support services should aim to help people sustain work, as well as finding it in the first place. This would suggest that employment support services should offer help to people in work before they lose their job, in contrast to the current system which offers little support to people unless they are out of work and receiving benefits. This could be seen as a 'preventative' approach in employment support, similar to preventative approaches in health care.

EMPLOYMENT SUPPORT SERVICES ARE KEY TO ACHIEVING THE GOVERNMENT'S LEVELLING UP MISSIONS

The government's Levelling Up White Paper included 12 missions. The first of these missions includes employment: "By 2030, pay, employment and productivity will have risen in every area of the UK, with each containing a globally competitive city, and the gap between the top performing and other areas closing."¹³ The employment-related 'headline metric' for this mission is the 16-64 employment rate. This will be measured at the regional level, so closing the gap between the "top performing and other areas" means closing the eight percentage point gap between the lowest performing regions (Northern Ireland and the North East, both 71%) and

5 What Works Centre for Wellbeing. Unemployment, (Re)employment and Wellbeing. March 2017. Available at <https://whatworkswellbeing.org/resources/unemployment-reemployment-and-wellbeing> [accessed 19/04/2022]

6 Bangham, G. *Happy now? Lessons for economic policy makers from a focus on subjective well-being*. Resolution Foundation, February 2019. Available at www.resolutionfoundation.org/app/uploads/2019/02/Happy-now-report.pdf [accessed 19/04/2022]

7 Bangham. *Happy now?* February 2019. p. 5.

8 Kameråde, D. and others. A shorter working week for everyone: How much paid work is needed for mental health and well-being? *Social Science & Medicine*, Vol. 241, November 2019. Available at <https://doi.org/10.1016/j.socscimed.2019.06.006> [accessed 19/04/2022]

9 What Works Centre for Wellbeing. Unemployment. March 2017.

10 Bangham. *Happy now?* February 2019. p. 22.

11 What Works Centre for Wellbeing. Unemployment. March 2017.

12 Morrish, N. and Medina-Lara, A. Does unemployment lead to greater levels of loneliness? A systematic review. *Social Science & Medicine*, Vol. 287, October 2021. Available at <https://doi.org/10.1016/j.socscimed.2021.114339> [accessed 19/04/2022]

13 HM Government. *Levelling Up the United Kingdom*. The Stationery Office, 2 February 2022, p. 160. Available at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1052706/Levelling_Up_WP_HRES.pdf [accessed 19/04/2022]

the highest performing regions (East of England and the South West, both 79%).¹⁴ The mission also aims to raise the employment rate in every area of the UK. The UK-wide employment rate has risen gradually over the last decade, and the current employment rate (75.5% in December 2021 to February 2022) is relatively close to the employment rate before the pandemic, which was the highest ever recorded (76.6% in December 2019 to February 2020).¹⁵ To raise the employment rate in “every area of the UK” and narrow the gap between the top performing and other areas is likely to require supporting people who are further away from the labour market.

The White Paper also sets out a number of ‘supporting metrics’ which are relevant for employment support:

- Participation rate
- Disability employment rate gap
- Proportion of children in workless households
- Proportion of jobs that are low paid
- Proportion of employed people in skilled employment (SOC 1-3, 5)

The employment rate gap between disabled and non-disabled people is currently 28.8%, and it widened slightly during the pandemic.¹⁶ To close this long-standing disparity will require more effective employment support for people with disabilities.

The metrics on low-paid jobs and skilled employment show that the levelling up agenda isn’t just about ‘any job’. The government is expanding the amount of in-work support available through Jobcentres at the moment, but this remains dependent on people receiving benefits - people in low-paid jobs but not on benefits don’t get any support. Employment support services that offer in-work support on a more consistent basis could help here. To help people progress in work or gain higher-skilled jobs will require better integration of employment support and skills, which currently do not always work well together.

Levelling up Mission Eight is that “by 2030, well-being will have improved in every area of the UK, with the gap between top performing and other areas closing.” As discussed above, work has a positive effect on wellbeing, while being unemployed or economically inactive has a negative

effect on wellbeing. Employment support services therefore have an important contribution to make in helping achieve this mission.

Employment support services should therefore be seen as key to helping achieve Mission One and Mission Eight in the government’s levelling up agenda.

14 Office for National Statistics. Labour market in the regions of the UK: February 2022. 15 February 2022. Available at www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/regionallabourmarket/february2022 [accessed 19/04/2022]

15 Office for National Statistics. Employment rate (aged 16 to 64, seasonally adjusted). 12 April 2022. Available at www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/timeseries/lf24/lms [accessed 20/04/2022]

16 Powell, A. Disabled people in employment. House of Commons Library, 24 May 2021. Available at <https://researchbriefings.files.parliament.uk/documents/CBP-7540/CBP-7540.pdf> [accessed 20/04/2022]

SECTION 2

THE CURRENT SYSTEM DOESN'T BUILD STRONG RELATIONSHIPS

This section argues that there are two key relationships to consider in employment support services: between citizen and coach, and between citizens themselves. It then goes on to argue that the current system of employment support isn't designed to build these strong relationships, which are vital to achieving good outcomes.

RELATIONSHIPS MATTER IN EMPLOYMENT SUPPORT SERVICES

There are two key types of relationship which are particularly important for employment support services:

- 1. Citizen-coach:** a strong 'working alliance' built on trust between citizen and coach/adviser helps support people to find or stay in work, especially those facing barriers or disadvantage.
- 2. Citizen-citizen:** social connections between citizens (social capital) help people find jobs.

The evidence for the importance of these two key relationships is discussed below. Our conclusion is that employment support services should focus on these two relationships as vital to achieving positive outcomes.

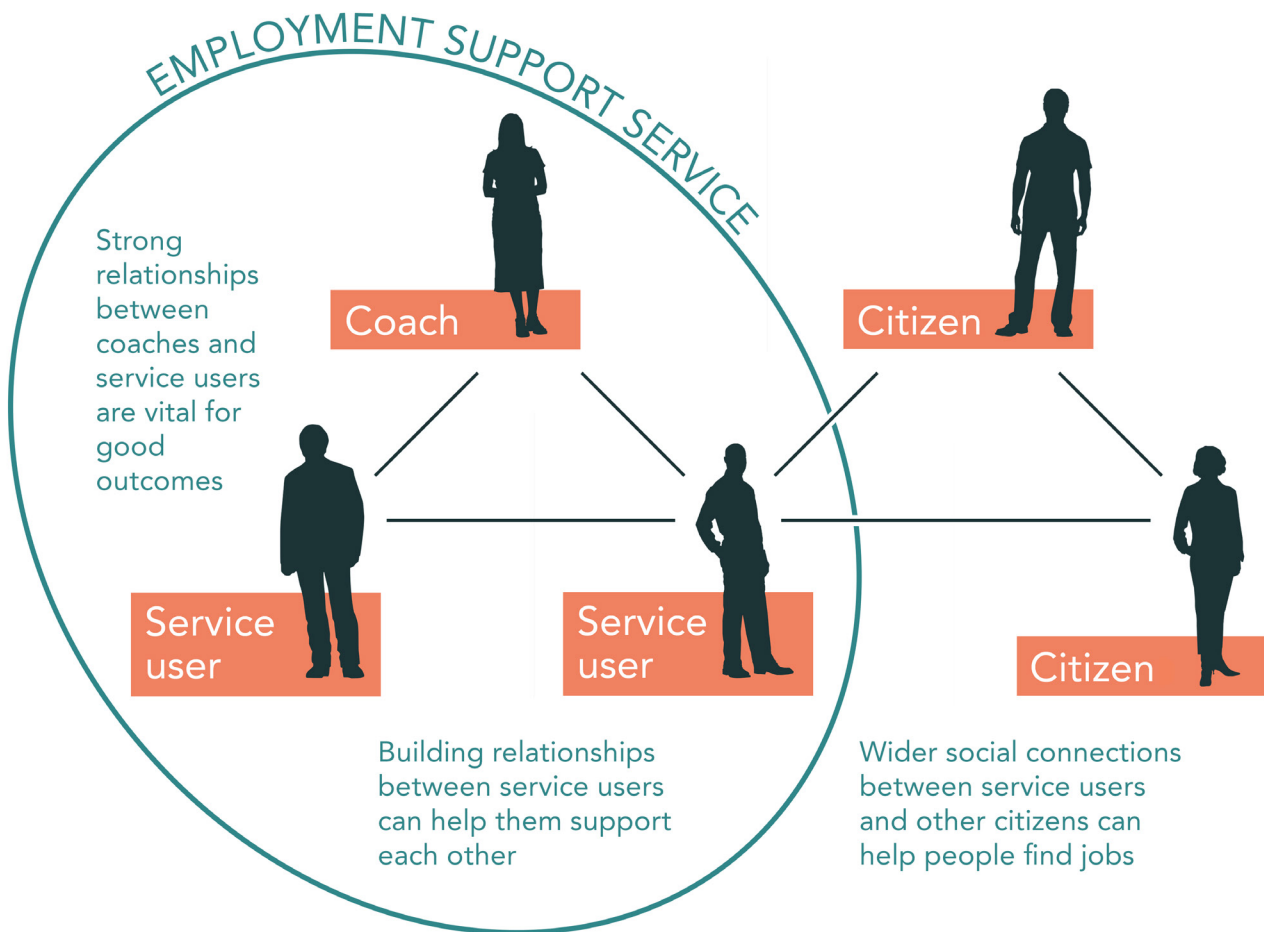
A strong working relationship between citizen and coach is vital to delivering good employment support

Most employment support services rely on a model of one-to-one support offered by a 'coach'. (In other employment support organisations or programmes - such as private sector providers, third sector providers, or the NHS - the same role can be referred to as a 'key worker', 'personal adviser', 'employment specialist', or various other terms.)

Employment support providers, practitioners and policy specialists we spoke to for this research agreed that the quality of this relationship is vital to delivering good employment support. This kind of relationship can be described as a 'working partnership' or 'working alliance', which is characterised by trust and involves both individuals working together to achieve a shared goal. The term 'working alliance' is used in psychotherapy, and has been shown to be a crucial element in positive clinical outcomes.¹⁷ Only a few studies have attempted to measure the impact of the quality of the citizen-coach relationship in employment support services. One study, an international randomised controlled trial involving people with mental health conditions, asked both citizen and coach about the quality of their relationship. The study found that a

¹⁷ Ravn, R. and Bredgaard, T. Relationships Matter – The Impact of Working Alliances in Employment Services. *Social Policy and Society*, Vol. 20, Issue 3, July 2021, pp. 418-435. Available at <https://doi.org/10.1017/S1474746420000470> [accessed 20/04/2022]

FIGURE 1
RELATIONSHIPS IN AN EMPLOYMENT SUPPORT SERVICE



higher-rated relationship according to either citizen or coach was a significant predictor of entering employment.¹⁸ Another small study based on survey data from Denmark found that stronger citizen-coach relationships were associated with an increased likelihood of moving into employment.¹⁹ A number of studies have found that reducing coach caseloads improves employment outcomes, which suggests that giving coaches more time may enable them to build stronger relationships, which in turn lead to better employment outcomes.²⁰

Qualitative evaluations of employment support programmes consistently conclude that citizen-coach relationships are important. For example, a meta-analysis for the DWP conducted in 2007 states:

One of the strongest conclusions to be drawn from evaluation evidence is the perception that PAs [Personal Advisers] are critical to the success or otherwise of interventions. This is not just a technical matter of how well a service is delivered but also a matter of how well the PA is able to engender a desire to seek and accept employment amongst customers and to build on the initial engagement by providing support and encouragement of an appropriate type. The evidence suggests that the greater the flexibility given to PAs, the better they are able to fulfil their role and to meet the specific needs of the individual customer.²¹

18 Catty, J. and others. Predictors of employment for people with severe mental illness: results of an international six-centre randomised controlled trial. *The British Journal of Psychiatry*, Vol. 192, Issue 3, March 2008, pp. 224-231. Available at <https://doi.org/10.1192/bjp.bp.107.041475> [accessed 20/04/2022]

19 Ravn and Bredgaard. *Impact of Working Alliances*. 2021.

20 Ravn and Bredgaard. *Impact of Working Alliances*. 2021.

21 Hasluck, C. and Green, A. *What works for whom? A review of evidence and meta-analysis for the Department for Work and Pensions*. Department for Work and Pensions, 2007. Available at <https://webarchive.nationalarchives.gov.uk/ukgwa/20130314011325/http://research.dwp.gov.uk/asd/asd5/rports2007-2008/rrep407.pdf> [accessed 20/04/2022]

According to qualitative research, both citizens and coaches/advisers agree that the quality of the citizen-coach relationship is crucial.^{22, 23} This is particularly true for people who face barriers or social disadvantage. For example, in a programme working with offenders and ex-offenders in Southampton, “key worker support [was] the most important success factor and one which participants said made the most difference to them.”²⁴ Similarly the evaluation of an employment support programme for young people, called Talent Match, reported:

*The value of high-quality relationships between participant and employment support provider was found to be crucial to initial and ongoing engagement. This was especially the case for young people furthest from the labour market.*²⁵

An evaluation of the programme MyGo, which supported young people aged 16-24 in Suffolk from 2014-2017, found that “one-to-one support from a MyGo coach was usually the most valuable aspect of the service for participants.”²⁶

Although varying according to the needs of the individual, the kind of relationship described as being effective in the evaluation literature could be summarised as a relationship built on trust in which both citizen and coach work together toward shared goals, with continuity over time. For example, this kind of relationship is described in the evaluation of a voluntary programme in Wales:

The qualitative research strongly emphasised the high quality of services offered by Personal Advisers [PAs], with customers noting that the trusting relationship with their Personal Adviser helped them more openly discuss their barriers to work. Customers... felt that PAs had found the right balance in pushing them to make

*progress in their search for work, whilst also not pushing them too fast.*²⁷

An important additional aspect of citizen-coach relationships is the value of these continuing when the citizen moves into work. The Individual Placement and Support (IPS) model, for example, places a strong emphasis on in-work support for the individual after moving into work. IPS has a strong evidence base which shows it is highly effective in supporting people with mental health conditions to move into and stay in employment.²⁸ IPS ‘employment specialists’ offer intensive and personalised support for people with mental health conditions, integrating health with employment support to help people find work. After someone moves into work, their employment specialist continues to offer support to both the individual and their employer to help ensure the individual is able to stay in work. IPS is provided by the NHS for people with mental health conditions, and is currently being expanded as part of the NHS Long Term Plan.²⁹

Social connections help people find jobs

Relationships with other citizens, or social capital, play an important role in helping people find jobs. This may seem counterintuitive in a digital world where many jobs require online applications, but there is plenty of evidence to show that in fact people rely on their social connections to find jobs (even if they subsequently apply online, for example).

In our own poll of 10,000 people across the UK, we asked people about how they found their current or last job. In total, 47% said that a social connection had helped them find their job, compared to 56% who said that they had found their job via an advertisement of some kind.

22 Nunn, A., Walton, F. and Jassi, S. *A qualitative study of satisfaction and dissatisfaction with Jobcentre Plus: an exploration of issues identified in the 2007 Customer Satisfaction Survey with a particular focus on those most likely to be dissatisfied*. Department for Work and Pensions, 2009. Available at <https://eprints.leedsbeckett.ac.uk/id/eprint/857> [accessed 20/04/2022]

23 Comptroller and Auditor General. *Employment support*. National Audit Office, 9 June 2021, p. 32. Available at www.nao.org.uk/report/dwp-employment-support [accessed 20/04/2022]

24 Rolfe, H., Portes, J. and Hudson-Sharp, N. *Local authority schemes supporting people towards work*. National Institute of Economic and Social Research, January 2015, p. 17. Available at www.local.gov.uk/sites/default/files/documents/local-authority-schemes-s-c3d.pdf [accessed 20/04/2022]

25 Damm, C. and others. *Talent Match Evaluation: A Final Assessment*. Sheffield Hallam University, 2020. Available at <https://doi.org/10.7190/cresr.2020.1739253459> [accessed 20/04/2022]

26 Bennett, L. and others. *MyGo Evaluation: Final report*. Learning and Work Institute, September 2018, p. 7. Available at <https://learningandwork.org.uk/resources/research-and-reports/mygo-evaluation-final-report-september-2018> [accessed 20/04/2022]

27 Riley, T. and others. *Evaluation of Want to Work: Final report*. Centre for Economic and Social Inclusion, May 2013, p. 46. Available at <https://gov.wales/docs/wefo/publications/131105wanttoworkfinalevaluationen.pdf> [accessed 20/04/2022]

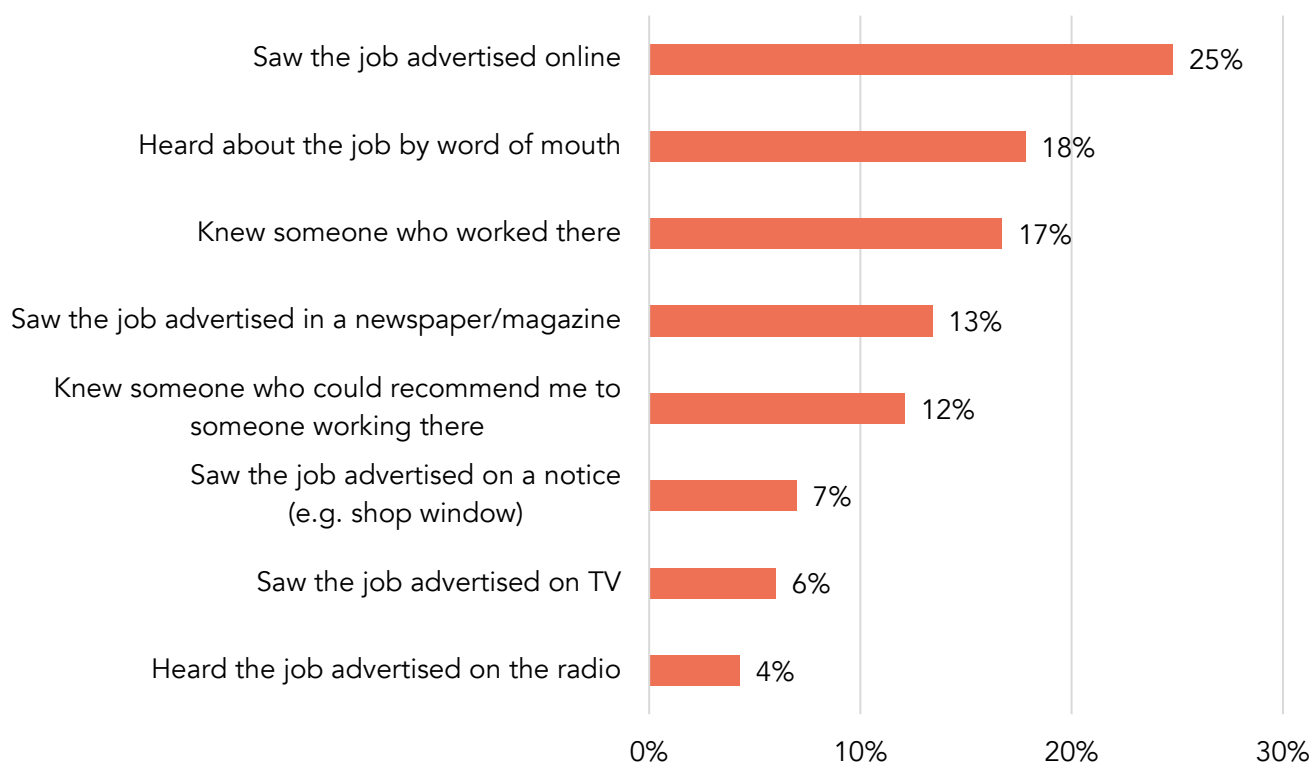
28 IPS Grow. *What is IPS?* (no date). Available at <https://ipsgrow.org.uk/about/what-is-ips> [accessed 20/04/2022]

29 NHS England. *Individual Placement and Support (IPS) for people with severe mental illness*. (no date). Available at www.england.nhs.uk/mental-health/case-studies/severe-mental-illness-smi-case-studies/individual-placement-and-support-ips-for-people-with-severe-mental-illness [accessed 20/04/2022]

FIGURE 2

PEOPLE USE SOCIAL CONNECTIONS TO HELP THEM FIND JOBS, AS WELL AS USING FORMAL ADVERTS

Thinking about your current or last job, which of the following applies?



Source: Demos/Dynata poll, July 2021, n=10,104. People could choose multiple options. Excluding options "none of these" and "I have never had a job".

This fits into the range of estimates from a number of academic studies which have also examined how people find jobs. A range of studies using different methods estimate that between 30% and 70% of jobs are found with the help of social capital.^{30, 31, 32}

In the UK, several longitudinal studies have demonstrated the effects of these social networks. A quantitative study based on British Household Panel Survey data from 1992-2006 found that people's social networks influenced the likelihood of them moving from non-employment into employment (non-employment referring to being either unemployed or economically inactive). The longitudinal survey asked people about their own employment status, as well as the employment status

of three friends. The study estimated that having one additional friend in employment increased the probability of moving from non-employment into employment by 15%.³³ The positive effect increased with the number of employed friends.

Another UK study based on data from 2010-2012 examined the links between neighbourhood disadvantage, social networks and employment. The study showed that people who both lived in deprived areas and said their friends lived in the same area were less likely to move into employment. However, for people whose social networks were geographically dispersed, neighbourhood deprivation had no impact on the probability of them moving into employment. This suggests that social

30 Ioannides, Y. and Loury, L. Job Information Networks, Neighborhood Effects, and Inequality. *Journal of Economic Literature*, Vol. 42, No. 4, December 2004, pp. 1056-1093. Available at <http://dx.doi.org/10.1257/0022051043004595> [accessed 20/04/2022]

31 Mouw, T. Are black workers missing the connection? The effect of spatial distance and employee referrals on interfirm racial segregation. *Demography*, Vol. 39, Issue 3, August 2002, pp. 507-528. Available at <https://doi.org/10.1353/dem.2002.0030> [accessed 20/04/2022]

32 DiTomaso, N. and Bian, Y. The Structure of Labor Markets in the US and China: Social Capital and Guanxi. *Management and Organization Review*, Vol. 14, Issue 1, March 2018, pp. 5-36. Available at <https://doi.org/10.1017/mor.2017.63> [accessed 20/04/2022]

33 Cappellari, L. and Tatsiramos, K. With a little help from my friends? Quality of social networks, job finding and job match quality. *European Economic Review*, Vol. 78, August 2015, pp. 55-75. Available at <https://doi.org/10.1016/j.euroecorev.2015.04.002> [accessed 20/04/2022]

networks have a greater impact than geographic deprivation on people's chances of finding work.³⁴ Structural inequalities - such as those between different neighbourhoods or areas - have a social as well as an economic component.

Other international studies have also found links between social capital and finding jobs. A study based on data from Italy found that having employed people in an individual's social network reduced the amount of time the individual spent unemployed.³⁵ A study from Germany suggested that participation in certain social activities increased the probability of moving from non-employment into employment, likely due to the positive effect on the individual's social capital.³⁶ A European-wide study examining social capital and unemployment in sub-regions found that "the higher the level of social capital in a European region, the lower the corresponding level of unemployment."³⁷

Social scientists distinguish between two different types of social capital: 'bonding' and 'bridging'. Bonding social capital refers to social connections between people who are similar to each other, while bridging social capital refers to social connections between people who are different to each other. The evidence shows that, for people out of work, bridging social capital appears to be more important than bonding social capital: as discussed above, social connections with people in work, or people living in different areas, have a positive impact on the probability of moving into employment. A similar concept describes 'strong' and 'weak' ties: 'strong' ties with family or neighbours, 'weak' ties with acquaintances or friends of friends, for example. It is these 'weak' ties that are more important for navigating the labour market.³⁸

In conclusion, there is a strong evidence base which shows that relationships between citizens - social capital - play an important role in how people find jobs, and bridging social capital is particularly

important in this context.

Unemployment has a negative impact on people's relationships

As discussed above, social capital plays an important role in helping people find jobs: an individual's social capital influences the likelihood of them moving into work. However, unemployment has a negative impact on people's relationships, which may reduce the chances of them finding work.

These negative impacts can include relationships with partners, friends, social connections at or through work, and general social participation.^{39, 40, 41, 42} Being unemployed is associated with increased loneliness.⁴³ Thus at the very time when people need social connections to help them find work, unemployment weakens these connections. This suggests that employment support services could have an important role to play in counteracting the negative social impact of unemployment.

THE RELATIONSHIP BETWEEN CITIZEN AND COACH IS OFTEN TRANSACTIONAL IN THE CURRENT SYSTEM

On the basis of the evidence discussed above, building effective working relationships between citizens and coaches should be a core principle in employment support. So how well does the current system build these strong relationships?

The main employment support service across Britain is provided by work coaches employed by the DWP at Jobcentre Plus offices. The service is broadly similar in Northern Ireland, although it is run separately by the Department for Communities. For this reason, our research primarily focused on the relationships between citizens and Jobcentre work coaches.

34 Vandecasteele, L. and Fasang, A. Neighbourhoods, networks and unemployment: The role of neighbourhood disadvantage and local networks in taking up work. *Urban Studies*, Vol. 58, Issue 4, March 2021, pp. 696-714. Available at <https://doi.org/10.1177%2F0042098020925374> [accessed 20/04/2022]

35 Cingano, F. and Rosolia, A. People I Know: Job Search and Social Networks. *Journal of Labor Economics*, Vol. 30, No. 2, April 2012, pp. 291-332. Available at <https://doi.org/10.1086/663357> [accessed 20/04/2022]

36 Marek, P., Damm, B. and Tong-Yaa, S. Beyond the employment agency: The effect of social capital on the duration of unemployment. SOEPpapers on Multidisciplinary Panel Data Research, No. 812. Available at <http://hdl.handle.net/10419/129735> [accessed 20/04/2022]

37 Freitag, M. and Kirchner, A. Social Capital and Unemployment: A Macro-Quantitative Analysis of the European Regions. *Political Studies*, Vol. 59, Issue 2, June 2011, pp. 389-410. Available at <https://doi.org/10.1111%2Fj.1467-9248.2010.00876.x> [accessed 20/04/2022]

38 McKay. *Escaping Poverty*. 1997.

39 Blom, N. and Perelli-Harris, B. Unemployment harms couples' relationship happiness. Centre for Population Change, April 2020. Available at www.cpc.ac.uk/docs/2020_PB49_Unemployment_harms_couples_relationship_happiness.pdf [accessed 20/04/2022]

40 Kunze, L. and Suppa, N. Bowling alone or bowling at all? The effect of unemployment on social participation. *Journal of Economic Behavior & Organization*, Vol. 133, January 2017, pp. 213-235. Available at <https://doi.org/10.1016/j.jebo.2016.11.012> [accessed 20/04/2022]

41 Morin, R. and Kochhar, R. Lost Income, Lost Friends - and Loss of Self-respect. Pew Research Center, 22 July 2010. Available at www.pewresearch.org/social-trends/2010/07/22/hard-times-have-hit-nearly-everyone-and-hammered-the-long-term-unemployed [accessed 20/04/2022]

42 Lindsay, C. In a Lonely Place? Social Networks, Job Seeking and the Experience of Long-Term Unemployment. *Social Policy and Society*, Volume 9, Issue 1, January 2010, pp. 25-37. Available at <https://doi.org/10.1017/S1474746409990170> [accessed 20/04/2022]

43 Morrish, N. and Medina-Lara, A. Does unemployment lead to greater levels of loneliness? A systematic review. *Social Science & Medicine*, Vol. 287, October 2021. Available at <https://doi.org/10.1016/j.socscimed.2021.114339> [accessed 20/04/2022]

We found relatively positive results: in our poll, 63% of people who had received support from a work coach in the last five years said the relationship was “positive”, compared to 12% who described it as “negative”. This also reflects how people described their relationships with work coaches in interviews: with a few exceptions, most people spoke quite positively about their work coach, saying for example that they “got on well”. Several people praised their work coach for being responsive to questions via the Jobcentre’s online portal (the Journal), or said that they had been helpful in offering support or advice.

[With previous work coaches] I just found it a constant interview, really - just asking me questions. [But] my current work coach is always encouraging me, like, “If you have any issues when it comes to applications or CVs, don’t hesitate to contact me.” He just really wants to provide all the support that he can give.

- Female, London

[My] work coach [is] very enthusiastic about getting me a job, so it gets me focused and motivated.

- Focus group participant

Another interviewee mentioned that he had received financial support to buy a computer - likely funded by the Flexible Support Fund, to which Jobcentre work coaches have access.

So I find the Jobcentre, the people I am dealing with [now] - they want to help. For example, I mentioned I didn’t have a PC. And [my work coach] said, “Oh, you don’t have a PC? We will give you a grant.” And again, it is little things like that people didn’t tell you. So she was very proactive.

- Male, London

Another positive aspect that several interviewees mentioned was the flexibility shown by Jobcentre work coaches during the pandemic. For example, several people said that appointments with their work coach on the phone during the pandemic had been positive:

I’ve got a young family, for me to leave them behind and go to somewhere that, if I can do it over the phone and save time, then that, for

me, works better. That should continue even without Covid, because I think it really helps, it just gives somebody flexibility.

- Focus group participant

Most people in our interviews and focus group also said they usually saw the same work coach on a consistent basis, and said that this was positive. This wasn’t true for everyone, however. Some people who had been receiving employment support for longer had seen three or four different work coaches, and said that this was frustrating because they often had to spend time explaining the same things repeatedly to different people.

This is my fourth work coach now in the last year that I’m on. [...] The biggest problem with them is you don’t seem to have a work coach for long. So, I don’t feel there is any continuous support, so you get to know a work coach who, sort of, can then help and guide you. [...] I don’t like the regular switching because it’s, like, when you see a different doctor, isn’t it? You have to then re-introduce yourself, go back to everything that you’ve already gone through half a dozen times, like, over the last few years.

- Female, South East England

Well, it’s been very chaotic. I’ve had some [meetings] that have been cancelled where I’ve waited in all morning supposedly for a [phone] call. And it’s been different people. When one person rang up, they said, “Well, just bear with me, I haven’t had time to read all the notes. I’m just going to read all the notes”, which I thought was very unprofessional, that they didn’t know anything. I think they’re just ticking a box most of the time, and I don’t think they’re really bothered, they’re just ticking a box

- Focus group participant

This reflects the findings of our poll, in which two thirds (65%) of people with experience of Jobcentre employment support in the last five years said that they “always” or “usually” saw the same work coach, while a third (35%) said they “always” or “usually” saw a different work coach. Based on our qualitative research and wider evidence, it appears that continuity has improved during the rollout of Universal Credit (UC), but our research also shows

that there is still room for improvement.^{44, 45, 46, 47}

I feel like my current work coach is quite permanent. Before, I'd be seen by different work coaches, which I didn't like. I didn't like the transitioning of being seen by different work coaches and explaining my story again. [...] I prefer to just have one work coach; someone that you're very familiar with, and someone who can help you, instead of being passed around.

- Female, London

Despite this reasonably positive picture, the relationships between citizens and work coaches can often be described as transactional: that is, focused on compliance with rules and processes, with a power imbalance between work coaches and those they are supporting. After an initial meeting, most people typically have meetings with their work coach lasting around 10-15 minutes, usually on a fortnightly or weekly basis.⁴⁸ The focus of these conversations is often compliance-led, focusing on the job search activity of the individual. Several people in our interviews described these in terms of their work coach "doing their job" - that is, checking to see if the individual was doing enough job search activity. Interviewees said the meetings were usually similar each time, going through a set process rather than offering personalised support. Some interviewees said they didn't particularly blame work coaches for this, but recognised they were following a set procedure. Others simply said that opportunities for anything more supportive were limited given the short length of meetings.

Certain times you go [into the Jobcentre] and they're so busy, they just want you in and out, just so they can, sort of, like, dot the i's and cross the t's, sort of thing, like, "Oh, we've done her, she can go." [...] [Sometimes] I feel like they're just following a script. So, they make sure they do their job, not necessarily what might be beneficial for me. Yes, it's more, like, they're just following a script, not like they actually want to help. [...] I don't actually think it's the work coach's fault. I think it's the rules

that they have to follow. [...] I think they really, really need to be more caring, you know, more human.

- Female, South East England

I, personally, feel like going to the Jobcentre once a week is just a waste of time, because they ask the same questions. So every time, they know you're working, but they still ask you about your current situation, which hasn't changed. I feel the questions are very repetitive. Sometimes, I feel like it's just a waste of time.

- Female, London (working part-time)

Another point that several interviewees raised was a feeling that their Jobcentre work coach didn't provide them with enough information, for example about local jobs that were available, or other kinds of support from different organisations. This was partly why some interviewees said the meetings weren't particularly helpful.

[Jobcentre work coaches] really haven't been that helpful really, you know - like certain options maybe of what's out there, they haven't mentioned anything much about what there is available.

- Female, North East England

THE ROLE OF JOBCENTRE WORK COACHES IN ADMINISTERING BENEFITS UNDERMINES TRUST

A key cause of transactional citizen-work coach relationships is the fact that the DWP and Jobcentres have a dual function: they administer benefits and provide employment support. However, benefit administration tends to undermine the citizen-coach relationships which are so important to delivering effective employment support. Because work coaches are responsible for checking individuals' compliance, and are involved in the process of applying sanctions if they don't comply, this

44 Stewart, A. and others. *Lived experiences of mental health problems and welfare conditionality*. University of Glasgow, September 2020, p. 18. Available at <https://eprints.gla.ac.uk/223638/1/223638.pdf> [accessed 20/04/2022]

45 House of Commons Work and Pensions Committee. *The future of Jobcentre Plus: Government Response to the Committee's Second Report of Session 2016-17*. 18 January 2017, p. 2. Available at <https://publications.parliament.uk/pa/cm201617/cmselect/cmworpen/965/965.pdf> [accessed 20/04/2022]

46 House of Commons Work and Pensions Committee. *The future of Jobcentre Plus*. 2 November 2016, pp. 9-10. Available at <https://publications.parliament.uk/pa/cm201617/cmselect/cmworpen/57/57.pdf> [accessed 20/04/2022]

47 Nunn, Walton, and Jassi. *A qualitative study of satisfaction and dissatisfaction with Jobcentre Plus*. 2009. pp. 22 and 27.

48 This reflects our qualitative research and polling. In the poll, 60% of people said meetings usually lasted 10 minutes or less, and 85% said they usually lasted 15 minutes or less.

undermines trust in the relationship.^{49, 50}

For example, a qualitative research project with benefit recipients reported that “across all three waves of repeat interview the dominant view was that the provision of individualised support was largely lost in a process dominated by compliance monitoring.”⁵¹

Similarly, in previous Demos research, employment support providers said that “the relationship between their adviser and the claimant is crucial... but this is undermined by the threat of sanctions.”⁵² A survey of people with disabilities or health conditions in 2013-2014 found that a majority of respondents felt that being forced to undertake work-related activity with the threat of sanctions had been counterproductive, reducing their confidence, worsening their health, and moving them further away from work.⁵³ In our own qualitative research, we found that distrust or anxiety about a work coach’s role in administering benefits undermined trust, even for those people who otherwise had a positive relationship with their work coach.

It was all very much, you had to do it this way, and if you don't do it this way, then you get a strike against you. It was very rigid, shall I say. They're very quick to find a reason to, like, put a bad mark against you and to, sort of, have a reason to stop your money. [...] So, you've always got the worry and the stress that if you don't do exactly what they say, that's it, your money is stopped.

- Female, South East England

Previous Demos research has demonstrated that there is a lack of trust in the DWP and Jobcentres, particularly among people with health conditions or disabilities.⁵⁴ Jobcentre work coaches themselves recognise that it is difficult to overcome many people’s lack of trust.⁵⁵ This prevents people sharing information with their work coach: for example, recent research published in 2022 found this applied to people with mental health conditions, with people

reporting “difficulties in trusting their work coach for fear that they would be found not to qualify for UC, that information would be distorted and used against them, or that they would be sanctioned” as well as “fear of not being taken seriously or believed”.⁵⁶ Several interviewees we spoke to mentioned that they had preferred speaking to their work coach on the phone during the pandemic, compared to visiting the Jobcentre in person. One interviewee explained speaking on the phone enabled him to speak more honestly with his work coach:

I must admit before the pandemic it was a chore almost. It was almost like... you are going through the motions. Because the first thing they say is if you don't turn up they are going to sanction you. And even if you give a valid excuse they still will do that. So it is very much you go in, don't want to give too much away. That sounds awful, doesn't it? But you don't want to give them an excuse. That is what I mean. With the pandemic and talking on the phone... there is no fear. They are there to help you. Beforehand it was, “Well, I am going through the motions,” now it is more positive.

- Male, London

For people who are assessed as being able to work, a ‘claimant commitment’ - an agreement about what the individual needs to do in order to receive benefits - is an important part of the process for applying for Universal Credit. Work coaches should adapt these to reflect individuals’ circumstances, and in our poll a majority (67%) agreed that their claimant commitment was personalised to reflect their situation. However, the strong link with benefits causes problems: in our poll, the same proportion of respondents (67%) said that they felt they were forced to sign their claimant commitment or risk losing their benefits. Qualitative research reveals that people are worried that raising concerns may cause problems or delays with benefit payments, and so hold information back or hide concerns at this stage

49 Pollard. *Pathways from Poverty*. 2019. p. 9.

50 Pollard, T. and Tjoa, P. *This Isn't Working: reimagining employment support for people facing complex disadvantage*. New Local, October 2020, p. 24. Available at www.newlocal.org.uk/wp-content/uploads/2020/10/This-Isn't-Working.pdf [accessed 20/04/2022]

51 Dwyer, P. and others. *Welfare Conditionality project: Final findings report*. Welfare Conditionality, 9 July 2018, p. 24. Available at www.welfareconditionality.ac.uk/wp-content/uploads/2018/06/40475_Welfare-Conditionality_Report_complete-v3.pdf [accessed 20/04/2022]

52 Geiger, B. A better WCA is possible: *Disability assessment, public opinion and the benefits system*. Demos, 2018, p. 71. Available at www.demos.co.uk/wp-content/uploads/2018/02/2018_A_Better_WCA_is_possible_FULL-4.pdf [accessed 20/04/2022]

53 Hale, C. *Fulfilling Potential? ESA and the fate of the Work-Related Activity Group*. Mind, 2014. Available at www.bl.uk/britishlibrary/~media/bl/global/social-welfare/pdfs/non-secure/f/u/l/fulfilling-potential-esa-and-the-fate-of-the-workrelated-activity-group-001.pdf [accessed 20/04/2022]

54 Glover, B. *Pathways from Poverty: The future of the DWP*. Demos, 25 March 2019. Available at <https://demos.co.uk/project/the-future-of-the-dwp> [accessed 20/04/2022]

55 Pollard. *Pathways from Poverty*. 2019. p. 13.

56 Child Poverty Action Group. *Making Adjustments? The experiences of Universal Credit claimants with mental health problems*. February 2022. Available at https://cpag.org.uk/sites/default/files/files/policypost/Making_adjustments_UC_mental_health_FINAL_0.pdf [accessed 20/04/2022]

of the process.⁵⁷

They work out how many hours you can [do], and what they say you have to commit to. And even if you think you can't do it, you have to sign that or you're not going to be able to get your money. [...] I'm signing something knowing that I know I'm not going to be able to do that, but if I don't then I've got no money.

- Female, South East England

Another problem with Jobcentres emerged in our qualitative research: although people were relatively positive about their work coaches, they were much more negative about Jobcentre buildings. Nobody we spoke to welcomed the idea of meeting other people at Jobcentres, for example. Similarly negative experiences of Jobcentre buildings have also been reported in other research: specific examples include open-plan offices which prevent people sharing personal details because their conversations can be overheard by others, and security guards contributing to an intimidating or negative atmosphere.^{58, 59}

The thing I really don't like about going to the Jobcentre is I'm always put off when I see a big, burly security guard. The whole atmosphere is not conducive to me, when I've worked all my life. I feel like I'm going into cell block H sometimes.

- Focus group participant

How to improve it? I think get rid of - this is overall on Jobcentres - get rid of the scary security, and that kind of atmosphere.

- Focus group participant

During a conversation about meeting other people, either at a Jobcentre or elsewhere, one focus group participant said:

I think I'd prefer somewhere, not the Jobcentre, because I think... you feel like you can't speak freely in a job club, if it's at the Jobcentre, because, I don't know, it's just not the right atmosphere, and if it feels very formal, and you feel, "Oh, I'd better not say that." But if it's, yes, somewhere where you can

just relax a bit more and have a coffee, and not feel like you're being watched, or watch what you said, I think that would be a lot better.

- Focus group participant

An interesting example of an alternative is provided by a programme called Want to Work, which operated in Wales from 2004-2015, providing employment support to people who were economically inactive. This programme was run by Jobcentre Plus, but with a different delivery model: Personal Advisers aimed to offer individualised support and build trusting relationships with people, and meetings were held in other locations such as LA-owned buildings, libraries or community centres. Advisers emphasised the programme was voluntary, dressed informally, and while not hiding the fact they worked for Jobcentre Plus, did not draw attention to it either. People on the programme were very positive about the relationships they built with their Personal Advisers, saying that they were able to trust them and felt comfortable discussing difficult issues with them. This was in contrast to more negative experiences of Jobcentre Plus, where people said the system was "rigid" and described how the role in administering benefits undermined good relationships. This example shows that a few key changes - strengthening citizen-coach relationships, holding meetings in different buildings, and removing benefit administration - can make a significant difference to people's experiences.⁶⁰

Apart from the public sector, many employment support services are provided by private and third sector organisations. It is difficult to generalise, but tentatively it appears that private and third sector employment support providers may tend to foster better relationships between citizens and coaches. There are a number of features which support coaches to build strong relationships in these contexts:

- Other providers play a less important role in benefit administration; in the case of providers operating independently (such as charities), they play no role at all.
- Some programmes or organisations, usually in the third sector, offer employment support on a voluntary basis (rather than people being mandated to attend).

57 Parkes, H. *No-one left behind: Supporting people with complex needs on universal credit*. IPPR, 5 April 2022, p. 6. Available at www.ippr.org/research/publications/no-one-left-behind [accessed 20/04/2022]

58 Parkes. *No-one left behind*. 2022. p. 7.

59 Child Poverty Action Group. *Making Adjustments?* 2022. pp. 13-14.

60 Riley. *Evaluation of Want to Work*. 2013. p. 34.

- Many organisations offer holistic support across people's lives, beyond just offering support with job searching.
- Coaches can offer independent advice on people's situation regarding benefits, and this advice is perceived to be independent.
- Coaches usually have smaller caseloads than Jobcentre work coaches, which enables them to spend more time offering one-to-one support.
- Coaches may have greater specialist knowledge, or more professional experience.

Those interviewees who had received employment support from another organisation (for example, a private sector provider or a charity) usually spoke in positive terms about their relationships with these coaches. In comparison to Jobcentre work coaches, they said these coaches had provided more holistic and useful support, and also had more time for them. This wasn't true for everyone - some people we spoke to had less positive experiences, or said that the quality of the support was low - but in general people were positive. One interviewee, for example, explained that he had received support from a private sector provider via the Work and Health Programme. He said this was better than the support at the Jobcentre, partly because they had more time available:

Certainly, the Jobcentre putting me on the [private sector provider's programme] has been a tremendous help. It's certainly equipped me better now. I've got a better CV and I know how to deal with interviews. The lady that was doing the training there even did a session on interviewing via Zoom remotely to give us a better idea of how to do those as well. [...] Because they had more time, they were able to do the sorts of things [the work coach] at the Jobcentre can't in 10 minutes. Some of the related problems that I'm struggling to get a job are health related - they had a lady there who was helping [...] to get around that so we could eliminate those problems.

- Male, North East England

MANY PEOPLE CAN'T ACCESS EMPLOYMENT SUPPORT, EVEN THOUGH THEY COULD BENEFIT FROM THE PROFESSIONAL SUPPORT OF A COACH

The DWP-led employment support system provides employment support to people receiving benefits. This means that people outside the benefits system can't access support from a professional coach, even though they could benefit from it.

There are a number of reasons people might not claim benefits, depending on their situation. This could include, for example, older people with savings above £16,000, young people still living at home, or people who have had negative experiences with the DWP in the past. In addition, conditionality and sanctions in the benefits system are known to cause some people to stop claiming benefits altogether - which also means they can't access employment support.^{61, 62}

This means that many people are missing out entirely, because employment support from Jobcentres and nationally commissioned programmes make up the bulk of employment support spending. It is uncertain how many people are in this situation, as statistics on take-up of Universal Credit are not available.⁶³ In 2017, the Learning and Work Institute estimated that 52% of all unemployed people were not claiming unemployment-related benefits (although this figure is now out of date, given the wider rollout of Universal Credit and the increase in uptake during the pandemic).⁶⁴ According to the Labour Force Survey, there are about 1.3 million working-age people in the UK who are economically inactive, but who would like a job.⁶⁵ A further 3 million people currently in employment want to work more hours.⁶⁶ Many of these people will not be eligible for support from Jobcentre Plus or other programmes commissioned by the DWP, because they will not be receiving benefits.

There is some support available for these groups, particularly those who face barriers to work. This support is often provided by charities or programmes funded by the European Social Fund

61 Dwyer. *Welfare Conditionality*. 2018. p. 23.

62 Comptroller and Auditor General. *Benefit sanctions*. National Audit Office, 30 November 2016, p. 39. Available at www.nao.org.uk/report/benefit-sanctions [accessed 20/04/2022]

63 Bangham, G. and Corlett, A. Boosting benefit take-up is critical to the success of Universal Credit, but we might not be able to measure whether it's working. Resolution Foundation, 20 December 2018. Available at www.resolutionfoundation.org/comment/boosting-benefit-take-up-is-critical-to-the-success-of-universal-credit-but-we-might-not-be-able-to-measure-whether-its-working [accessed 20/04/2022]

64 Local Government Association. *Work Local: Our vision for an integrated and devolved employment and skills service*. June 2017, p. 14. Available at www.local.gov.uk/sites/default/files/documents/WORK%20LOCAL%20FINAL%20REPORT%2005072017.pdf [accessed 20/04/2022]

65 This figure excludes students. Office for National Statistics. INAC01 SA: Economic inactivity by reason (seasonally adjusted).

12 April 2022. Available at www.ons.gov.uk/employmentandlabourmarket/peopleinwork/economicinactivity/datasets/economicinactivitybyreasonseasonallyadjustedinac01sa [accessed 20/04/2022]

66 Office for National Statistics. EMP16: Underemployment and overemployment. 15 February 2022. Available at www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/underemploymentandoveremploymentemp16 [accessed 20/04/2022]

(ESF) and/or National Lottery, for example. However, these may be difficult for individuals to find, because no organisation plays a co-ordinating role in the employment support landscape of a local area. Although in theory Jobcentres could play this role, in practice their focus is almost entirely on people receiving benefits, which means they aren't well-suited to a wider, more community-oriented role.

The problem of employment support eligibility is not just confined to people outside the benefits system: even within the benefits system, there are people who would like to receive employment support, but don't. For example, people in the Employment and Support Allowance (ESA) Support Group are not required to search for jobs by the DWP, usually due to a health condition or a disability. There is some employment support available to people in this group, but research has found that awareness of it is very limited.⁶⁷ However, just making people aware may not resolve the issue: recent research with people receiving ESA found that "individuals often said they would distrust an offer of support from the DWP or JCP [Jobcentre Plus] even when what was on offer appealed, due to previous negative interactions and a perceived 'hidden agenda' of cutting benefits and costs."⁶⁸ Another group affected are couples receiving Universal Credit: recent research found that conditionality and employment support could be inconsistent even for couples in similar circumstances, and "some individuals would have liked employment support and did not receive it, whilst others found the repetitive nature of the offer less than useful."⁶⁹ This demonstrates that even within the benefits system, some people find it difficult to access employment support.

An indication of the potential demand for employment support from people outside the benefits system comes from the MyGo programme in Suffolk. This programme, which ran from 2014-2017, unusually offered universal access to all young people aged 16-24 in the area, regardless of whether they were receiving benefits or not. Overall, 42% of participants on the MyGo programme were not receiving benefits when they started using the service.⁷⁰ Some of these users had lower needs - for example, recent graduates - but a quarter of them were classified as having high needs.⁷¹ Although this is only one specific example, it demonstrates the

potential advantages of offering universal access.

JOBCENTRE PLUS EMPLOYMENT SUPPORT DOESN'T PLACE A HIGH VALUE ON SOCIAL CAPITAL

The interviewees we spoke to explained that the primary focus of their activity was online job search and applications. The reason people gave for this was that they needed to demonstrate their job search activity to their work coach, and they said online applications were the main way they felt expected to do this. This suggests that people may be incentivised to make lots of online job applications to show they have 'done enough' at the next meeting with their work coach. This may encourage people to make a high number of low-quality applications. Other research has found that it also encourages people to apply to jobs for which they are unsuitable, in order to ensure they comply with the conditionality rules.⁷²

Like this morning I have been in, [so I've] applied for a couple of jobs. I always note down what I have done [on the Universal Credit Journal]. Everything I do: "Right, I have been on LinkedIn. Updated CV." I always keep a detailed log, so the work coach can see what I am doing.

- Male, London

Most of my searching is done in front of my computer now. The same for most people now, most traditional routes are gone. I think most jobs are found online, the internet has taken over everything.

- Male, North East England

What this ignores is all the evidence about the importance of social capital in helping people find jobs. Of course, many people do successfully get jobs via online adverts. But many other people rely on social connections to help them (even if this later involves an online application process), as outlined earlier. Yet the way in which online job applications are emphasised does not appear to strengthen social capital. People's social connections are largely

67 IFF Research. *The work aspirations and support needs of claimants in the ESA Support Group and Universal Credit equivalent*. Department for Work and Pensions, February 2020. Available at www.gov.uk/government/publications/work-aspirations-and-support-needs-of-claimants-in-the-esa-support-group-and-universal-credit-equivalent/the-work-aspirations-and-support-needs-of-claimants-in-the-esa-support-group-and-universal-credit-equivalent [accessed 20/04/2022]

68 IFF Research. *Work aspirations and support needs*. 2020.

69 Griffiths, R. and others. *Couples navigating work, care and Universal Credit*. University of Bath, January 2022, p. 126. Available at www.bath.ac.uk/publications/couples-navigating-work-care-and-universal-credit [accessed 20/04/2022]

70 Bennett and others. *MyGo Evaluation*. 2018. p. 35.

71 Bennett and others. *MyGo Evaluation*. 2018. p. 37.

72 Dwyer. *Welfare Conditionality*. 2018. p. 18.

invisible in the system, despite their importance in helping people find work.⁷³

In our qualitative research, people's experiences varied. Some people said they didn't have family or friends who could help them with their job search, for example because their friends didn't know anything about the industry to which they were applying, or because they didn't want to take up other people's time. A few people did, however, say that help from friends or family was helpful:

My friends, they've been helpful. They either send me jobs, or if their employer is looking for someone, they might put me forward. And it's given me more hope than my work coach. I feel like they've found jobs more suited to me, probably because they know me on a much more personal level.

- Focus group participant

Due to a combination of short meetings and the compliance-led process, none of our interviewees said they felt they had any real social interactions at Jobcentres.

At the Jobcentre, you just sit down and you are away from everyone. Then you go to see your work coach. You wouldn't really see or talk to people.

- Male, London

Some employment support providers and programmes have placed, or do place, a higher value on social capital. The Backr programme (which ran in 2013-2015), for example, specifically focused on social connections and improving people's 'soft skills' by encouraging people to meet together.⁷⁴ PwC's evaluation of the programme was positive, both for employment outcomes and the improvement in people's 'soft skills'.⁷⁵ Other methods used by employment support providers include one-to-one mentoring or peer support groups. There is some evidence that these approaches can be effective.⁷⁶ Practitioners and providers we interviewed for this research told us that in their view these approaches could be particularly important for some groups (for example, young people). However, the evidence on current practice is largely anecdotal, which makes it difficult to say how widespread these kinds of approaches are in the broader employment support landscape.

73 Cottam. *Radical Help*. 2018. p. 118.

74 Cottam. *Radical Help*. 2018. pp. 107-137.

75 PwC. *The 'Backr' employability programme: Final evaluation report*. October 2015.

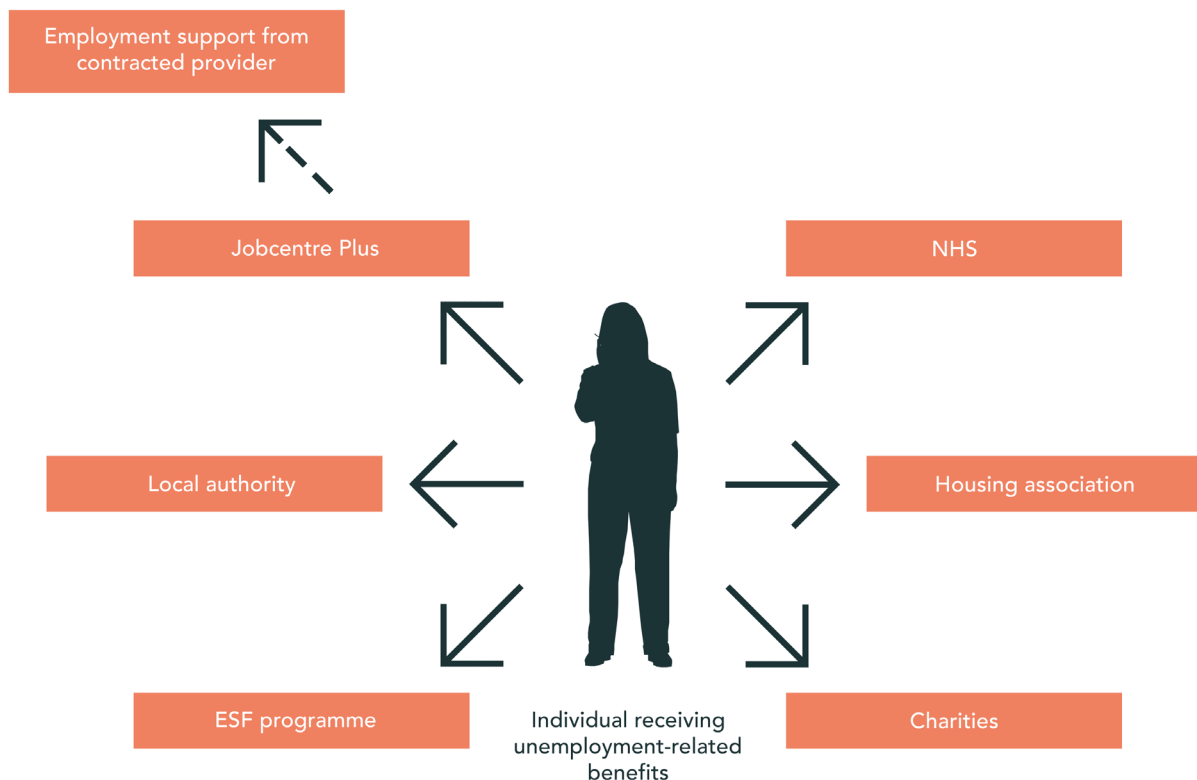
76 McEnhill, L., Steadman, K. and Bajorek, Z. *Peer support for employment: A review of the evidence*. The Work Foundation, May 2016. Available at www.base-uk.org/sites/default/files/knowledge/Peer%20support%20for%20employment%20:%20a%20review%20of%20the%20evidence/peersupportworkfoundation.pdf [accessed 20/04/2022]

SECTION 3 THE CURRENT SYSTEM IS FRAGMENTED AND CENTRALISED

This report focuses on relationships in employment support, but the organisation and co-ordination of employment support services also heavily influence people's experiences. In summary, the current system

is fragmented, complex and difficult to navigate for individuals, employers, employment support providers and policymakers working in local and central government.

FIGURE 3
EMPLOYMENT SUPPORT SERVICES FROM AN INDIVIDUAL'S PERSPECTIVE



THE EMPLOYMENT SUPPORT LANDSCAPE IS CONFUSING FOR INDIVIDUALS

From the perspective of an individual, the employment support landscape is confusing. For many people, there are multiple organisations operating in their local area which could offer them employment support, but there is no easy way to find out about them. For example, one individual could potentially receive employment support from their Jobcentre, their housing association, their local council, several independent charities, and an ESF/ National Lottery funded programme. But given the lack of information, it is difficult for an individual to find out about these options.

Some interviewees we spoke to were unaware that charities or other organisations offered employment support services at all - so wouldn't even have considered using them.

I didn't even know that charities could help. I wasn't aware of that at all.

- Female, South East England

One woman we interviewed explained how she had received employment support from a local charity which supports young people. She praised the organisation and the one-to-one coach she had spoken to there, and said they had been more helpful than the Jobcentre, in particular saying that they had better links with employers (the organisation brought employers in to host sessions, for example). She also mentioned she had appreciated the opportunity to meet other people. However, she said the only way she had found out about the charity was via a Google search. Reflecting on her experience, she said that Jobcentre work coaches should be better at referring people to other organisations or services - her work coaches had not told her about any other support which might be available.

There's more support at [the charity], compared to the Jobcentre. They have sessions as well, like cover letter sessions... or help with interview prep and things like that. There are a lot of workshops that happen, as well. Jobcentres don't provide that. [...] It enables you to make friends as well, obviously, with people of your age, and you're conversing with people. Whereas with the Jobcentre, you can't do that. You just go in strictly for an interview, and you just leave the building afterwards. [...] I found out

about [the charity] on Google. I was looking for apprenticeships, and [the charity] just popped up. Also, I saw it being publicised on Instagram as well, with the testimonies of previous students, that caught my eye as well. So... I decided to sign up.

- Female, London

Similarly a focus group participant explained she was doing a course which she had found herself online. Although anecdotal, this suggests that some people are missing out on support which they might find helpful, due to a lack of information.

It's a six-week course that I'm actually currently doing... [and they help you] find a work placement, as well. I was just looking online, and they came up, and I thought, "Well, I'm not working, so I'm happy to do anything, really."

- Focus group participant

Another interviewee explained her Jobcentre work coach had referred her to a local programme (funded by the Tees Valley Combined Authority), which she said she had found helpful:

The Jobcentre really hasn't helped me that much... They referred me to somewhere else [for help with my CV]. So, then I had to go to this other place where the person I spoke to there, he was quite helpful.

- Female, North East England

For people outside the benefits system, the National Careers Service is the main free option funded by central government. The National Careers Service provides free careers information, advice and guidance for adults and young people in England (with similar devolved services in Scotland, Wales and Northern Ireland). The help provided to people includes general advice, as well as support with more specific tasks such as CV writing.⁷⁷ In this way, the role it plays is in fact quite similar to employment support organisations. Jobcentre work coaches and National Careers Service advisers work together well in some areas. However, as a recent report from Policy Connect described, "there is often an overlap between some of the schemes and services provided by the DWP and the National Careers Service. This leads to Jobcentres and National Careers Service advisers competing for the same customers, which

77 Klahr, R. and others. *National Careers Service: Customer Satisfaction and Progression Annual Report*. Ipsos MORI, July 2020. Available at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/971804/FINAL_Customer_Sat_and_Prog_Annual_Report_Year_9_V5.pdf [accessed 20/04/2022]

is not the best use of government funding.”⁷⁸ The report also describes low awareness of the National Careers Service.⁷⁹ Similarly, recent qualitative research with adult learners found that “the majority had not only never used the National Careers Service but were unfamiliar with it, or the availability of such services for adults.”⁸⁰ This is comparable to the lack of awareness about the variety of employment support providers.

In theory, Jobcentres could play a ‘navigator’ role, making people aware of other kinds of support available - although, as noted above, they can only fulfil this navigator role for people receiving benefits. However, the extent to which Jobcentres play this navigator role in practice is variable. Some Jobcentres do refer people to other services and work in partnership with local organisations, but this is inconsistent, with some organisations reporting difficulties working with Jobcentre Plus.^{81, 82, 83, 84}

Jobcentre work coaches also refer people to nationally contracted programmes, such as the Work and Health Programme, Job Entry Targeted Support (JETS) and Restart. These providers offer more specialist support to people (for example, people with health conditions, or who have been out of work for longer). According to stakeholders at our roundtable and expert interviewees, these programmes can be effective at helping people move into employment. A problem, however, which was mentioned by several people we spoke to is the perception that Jobcentre work coaches sometimes make decisions about referring people to different programmes based on internal Jobcentre targets - rather than being based on the needs of the individual and the local area.

78 Hector, M. *Transition to Ambition: Navigating the careers maze*. Policy Connect, 20 July 2021, p. 52. Available at www.policyconnect.org.uk/research/transition-ambition-navigating-careers-maze [accessed 20/04/2022]

79 Hector. *Careers maze*. 2021. p. 55.

80 O Regan, N. and Bhattacharya, A. *Fulfilling its potential? How well does the careers information, advice and guidance serve the people it is meant to support in England?* Social Market Foundation, 1 April 2022, p. 21. Available at www.smf.co.uk/publications/fulfilling-its-potential [accessed 20/04/2022]

81 Hector. *Careers maze*. 2021. p. 52.

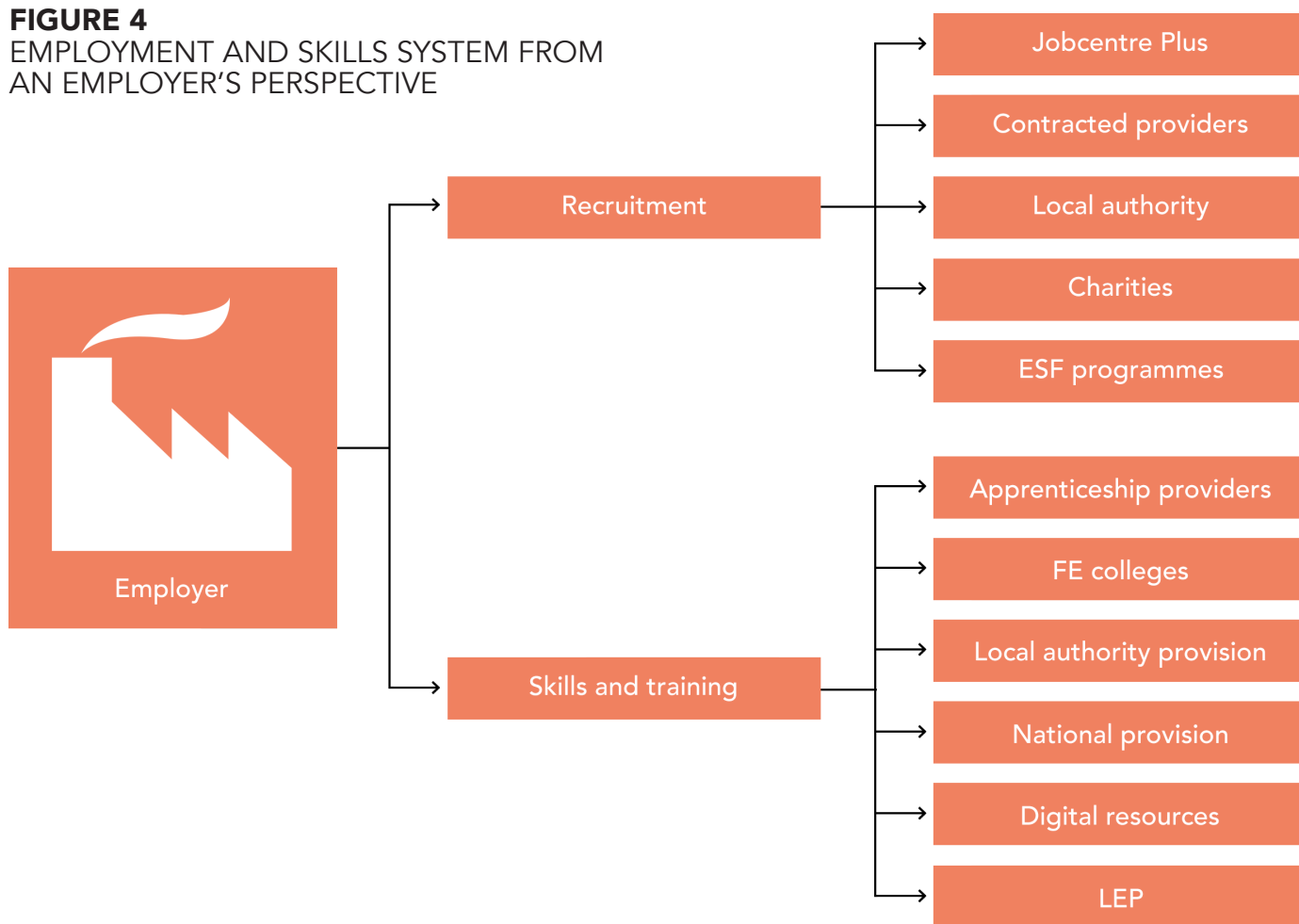
82 Ray, K., Crunden, O. and Murphy, H. *Liverpool City Region Youth Employment Gateway Evaluation: Final Report*. Learning and Work Institute, March 2018, pp. 42-43. Available at <https://learningandwork.org.uk/resources/research-and-reports/evaluation-of-liverpool-city-region-youth-employment-gateway> [accessed 20/04/2022]

83 IFF Research. *Evaluation of the European Social Fund 2014-2020 Programme in England: qualitative case study research*. Department for Work and Pensions, 2 March 2022. Available at www.gov.uk/government/publications/evaluation-of-the-european-social-fund-2014-2020-programme-in-england-qualitative-case-study-research/evaluation-of-the-european-social-fund-2014-2020-programme-in-england-qualitative-case-study-research [accessed 20/04/2022]

84 Yordanova, I. Survey of boroughs’ employment services. London Councils, 4 March 2021, p. 11. Available at www.londoncouncils.gov.uk/our-key-themes/economic-development/employment-support/survey-boroughs-employment-and-skills [accessed 20/04/2022]

THE EMPLOYMENT SUPPORT SYSTEM IS COMPLEX FOR EMPLOYERS TO NAVIGATE

FIGURE 4
EMPLOYMENT AND SKILLS SYSTEM FROM AN EMPLOYER'S PERSPECTIVE



The Jobcentre system encourages people to make a large number of online applications, with previous research revealing some people feel forced to make applications for jobs which they know they are unable to do.⁸⁵ This causes problems for businesses, particularly SMEs which do not have the resources to sift through large numbers of applicants effectively. Research based on a survey of employers in the UK found that they had negative views of how the Jobcentre system encouraged a large number of low-quality applications: “employers perceived this as a product of ‘box ticking’ and compliance targets”.⁸⁶ Similarly, a Work and Pensions Committee inquiry on employment for young people heard evidence that Jobcentres’ approach led to employers “receiving, and having to sift through, large volumes of applications from unqualified candidates” which is “a source of irritation for employers”.⁸⁷ Our expert

interviewees agreed with this view, saying that some large employers would engage with Jobcentres because they had the resources to sift through a high volume of applications, but that SMEs were less likely to be willing to engage.

Providers of employment support services told us that building links with employers was essential to helping people find employment, particularly for those further away from the labour market. This reveals the second major issue with the current system from an employer perspective, which is the complex landscape of employment support organisations. For an employer wanting to engage with the employment support system, they might need to separately talk to a large number of different providers. In practice, this means links between employment support providers and employers are

85 Dwyer. *Welfare Conditionality*. 2018. p. 18.

86 Ingold, J. Employers’ perspectives on benefit conditionality in the UK and Denmark. *Social Policy & Administration*, Vol. 54, Issue 2, March 2020, pp. 236-249. Available at <https://doi.org/10.1111/spol.12552> [accessed 20/04/2022]

87 House of Commons Work and Pensions Committee. *Employment opportunities for young people*. 22 March 2017, p. 31. Available at <https://publications.parliament.uk/pa/cm201617/cmselect/cmworpen/586/586.pdf> [accessed 20/04/2022]

not as strong as they could be - particularly for third sector employment support organisations with less resources. Because there is no organisation providing co-ordination across the local landscape, it also leads to unnecessary duplication, with each employment support provider separately trying to build links with local employers.

EMPLOYMENT SUPPORT PROVIDERS DON'T ALWAYS WORK WELL IN PARTNERSHIP WITH EACH OTHER

The extent to which employment support providers work in partnership with each other is variable. There are some good examples of effective partnership working and collaboration between different organisations. For example, an employment support provider told us about effective partnership working between different third sector organisations.⁸⁸ An innovative example of this is the Going the Extra Mile (GEM) project in Gloucestershire, which brings together a large number of third sector organisations into one 'umbrella' project.⁸⁹ Another example of effective partnership working mentioned by several interviewees was in Manchester, where the various different organisations (combined authority, local councils, the DWP and other services) work together more effectively than in other areas. An example of this is the role of Integration Coordinator included in Manchester's Working Well programme. Each local authority has an Integration Coordinator, who is responsible for partnership working, and supports coaches ('Key Workers') by providing information and identifying common issues.⁹⁰ In London, stakeholders such as councils, Jobcentre Plus, skills and training providers and other services are actively making efforts to improve co-ordination and adopt a 'no wrong door' approach.⁹¹ Across the country, employment support membership organisations also play a role in encouraging partnership working, such as the Employment Related Services Association (ERSA) and the Institute of Employability Professionals (IEP).

Another innovative example of partnership working was the MyGo programme, run by Suffolk County Council from 2014-2017. This was an integrated employment and skills programme for young people aged 16-24, offering universal access. In the first

phase of this programme, MyGo and Jobcentre Plus services were co-located in a MyGo centre in Ipswich, along with a range of partner organisations. The programme's evaluation found that this had helped encourage effective partnership working between different organisations and services.⁹²

However, the MyGo programme was unusual, and in some areas a lack of co-ordination hinders partnership working. First, Jobcentres are centrally run by the DWP. This limits their ability to work in true partnership with organisations in their local area, since other stakeholders perceive that some of the incentives for work coaches' decisions are influenced by Jobcentre targets.⁹³ This can, for example, impact the programmes or organisations to which Jobcentre work coaches refer people.

Second, Jobcentre staff may lack awareness of the other kinds of support available in the local area. This can lead to a lack of referrals to programmes from Jobcentres, or inappropriate referrals for which a particular programme is not designed.⁹⁴ High staff turnover at Jobcentres has also been reported to hinder effective partnership working.⁹⁵

Third, in some areas there is overlap or duplication in the employment support offered by different organisations, which may work independently of each other. For example, a recent evaluation for the DWP of ESF projects running in 2014-2020 reported that "there were also local areas where there were several ESF funded projects operating and some staff said they felt they were competing for referrals."⁹⁶ Some local councils provide employment support, often with wider eligibility criteria than at a Jobcentre (for example, offering universal access). However, this may in effect duplicate services already provided by charities, ESF/National Lottery programmes, the National Careers Service, or Jobcentre Plus.⁹⁷ Similarly, Scotland has introduced its own devolved employment support programme, called Fair Start Scotland. This programme is voluntary and offers personalised support in nine contract areas across Scotland (being delivered by public, private and third sector organisations). However, the latest evaluation of the programme, published in 2021, reported problems in co-ordination between providers:

Providers and local stakeholders [...] felt the local employability landscape in each area

88 Demos interview.

89 Going the Extra Mile Project. About GEM. (no date). Available at www.glosgem.org/about.php [accessed 20/04/2022]

90 Greater Manchester Combined Authority. *Working Well: Annual Report*. July 2019. Available at www.greatermanchester-ca.gov.uk/media/2364/working-well-2019_web.pdf [accessed 20/04/2022]

91 Yordanova. Boroughs' employment services. 2021. pp. 9-11.

92 Bennett and others. *MyGo Evaluation*. 2018. p. 5.

93 Demos roundtable and interviews.

94 IFF Research. *Evaluation of the European Social Fund*. 2022.

95 Yordanova. Boroughs' employment services. 2021. p. 11.

96 IFF Research. *Evaluation of the European Social Fund*. 2022.

97 Demos interview.

remains cluttered and confusing to navigate for participants as well as those engaged in the delivery of employability services. [...] Providers in particular [have reported] that they feel that they are competing with other services for participants. This issue has also been exacerbated by existing funding arrangements which have resulted in consistent reports of difficulty working with other employability providers due to the risk of double funding. It should also be noted that these findings have been reported across all case study areas and are not isolated to particular areas.⁹⁸

This lack of co-ordination between employment support providers contributes to a complex employment and skills landscape for individuals, employers and employment support providers. It could also be delivering poor value for money, considering the large number of separate programmes and services being run by different organisations.

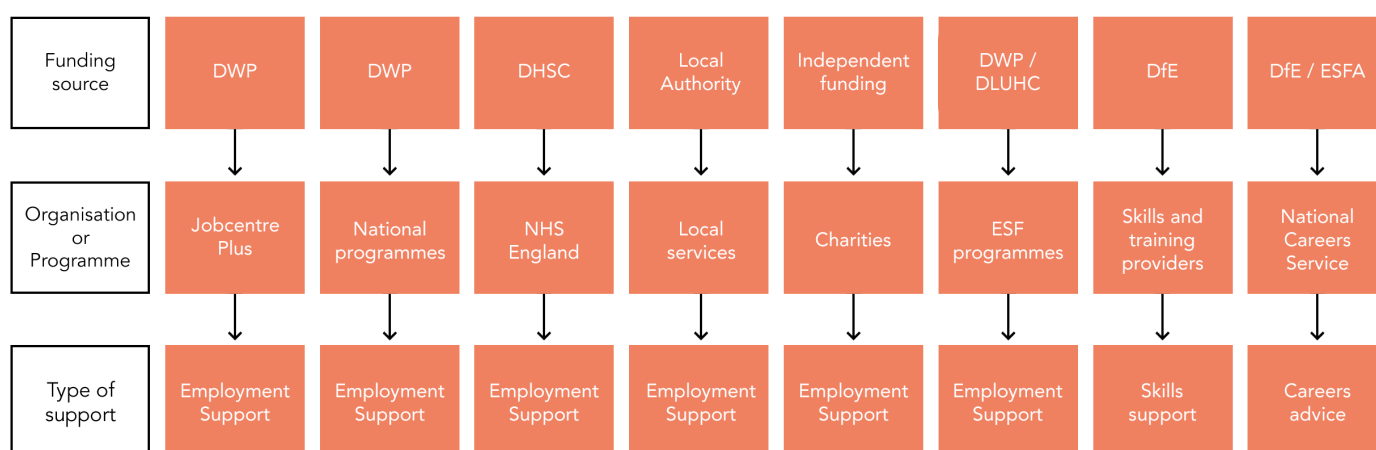
AT A LOCAL LEVEL, EMPLOYMENT SUPPORT, SKILLS AND CAREERS PROVISION IS OFTEN A 'PATCHWORK'

Helping people train and learn new skills can help them find work or progress in work, but strategic integration of employment support and skills

provision is sometimes lacking in local areas.^{99, 100} This is partly because employment support and skills are run by separate parts of government, with different funding streams. In Wales, for example, skills is a devolved policy area, while employment support is largely still run centrally by the DWP. Similarly the West Midlands Combined Authority has adult skills devolution, but no devolution of employment support. In London, there is some devolution of both skills and employment support, but even this is not fully integrated. The adult skills budget is devolved to the Greater London Authority, control over the Work and Health Programme is devolved to four sub-regional partnerships of local councils, while the DWP runs the Jobcentre Plus network, which inhibits co-ordinated services.¹⁰¹ Meanwhile the National Careers Service is funded centrally across England by the Education and Skills Funding Agency, but delivered by organisations through area-based contracts.¹⁰²

Similar points apply to particular social groups. For example, the landscape for young people's employment, skills and careers services is even more complex, with a large number of different organisations involved. The Youth Employment Index 2022 from PwC and the Youth Futures Foundation states that "UK youth employment policy is designed and delivered by a fragmented system that leaves behind the most vulnerable", including overlapping responsibilities and fragmented funding.¹⁰³

FIGURE 5
FUNDING OF EMPLOYMENT SUPPORT, SKILLS AND CAREERS SERVICES



98 Scottish Government. Fair Start Scotland: evaluation report 4 - year 3 overview. 14 October 2021. Available at www.gov.scot/publications/fair-start-scotland-evaluation-report-4-overview-year-3/documents [accessed 20/04/2022]

99 Local Government Association. *Work Local*. 2017.

100 Greater London Authority. *Skills for Londoners: A call for action*. September 2019. Available at www.london.gov.uk/sites/default/files/call_for_action_final_13.09.19_.pdf [accessed 20/04/2022]

101 Demos interview.

102 Klahr. *National Careers Service*. 2020. p. 4.

103 PwC and Youth Futures Foundation. *Youth Employment Index 2022*. April 2022, pp. 76-77. Available at www.pwc.co.uk/economic-services/YWI/youth-employment-index-2022.pdf [accessed 20/04/2022]

This 'patchwork' of fragmented support in a local area is difficult for individuals and employers to navigate. Based on the available evidence, it appears that where services do work together effectively, they are usually doing so despite the system's design, rather than because of it.

Fundamentally, no single organisation has a co-ordinating function in strategically bringing together employment support, skills and careers advice for a local labour market. Jobcentres, independent employment support programmes, skills providers and the National Careers Service may sometimes work together, but they all operate as separate organisations, with separate funding sources. This is not a good model for delivering relational services which provide holistic support to each individual.

THE UK SHARED PROSPERITY FUND IS AN OPPORTUNITY TO RECONSIDER THE EMPLOYMENT SUPPORT, SKILLS AND CAREERS SYSTEM

For people facing disadvantage in the labour market (such as disabilities, health conditions, problems with housing, contact with the criminal justice system, or other kinds of social disadvantage) one of the main sources of funding for employment support programmes in the recent past has been the European Social Fund (ESF). This has often been complemented by match funding from the National Lottery or other organisations.¹⁰⁴

The ESF has focused on providing employment support and skills to people facing disadvantage, 'plugging the gaps' in existing support (for example, providing support to people outside the benefits system). Programmes are usually voluntary, which helps build strong citizen-coach relationships. However, the ESF is not as effective as it could be because it is part of the fragmented employment and skills landscape. This was a key finding in a Work and Pensions select committee report:

The ESF also has real weaknesses. Current structures create funding siloes, preventing providers from delivering the comprehensive programmes that many of those they support really need. [...] The ESF is also mired in

*inordinate bureaucracy. At worst this can prevent small, specialist, local organisations, that have so much to contribute, accessing it at all.*¹⁰⁵

The ESF is being replaced by the UK Shared Prosperity Fund (SPF), with an intention to fund employment and skills programmes from 2024/25.¹⁰⁶ In the Levelling Up white paper, the government committed to allocating the SPF, and devolving responsibility for it, to combined authorities and lower-tier local authorities.¹⁰⁷ The white paper also stated that there will be some interim funding for programmes between now and 2024/25, although it provided little detail. Some programmes have already ended, or are due to end soon, as ESF funding tails off.^{108, 109}

Allocating and devolving SPF funding for employment support and skills programmes fits with the approach which we argue for in this report. However, without wider reforms it risks continuing the same problems that currently exist at the moment - a complex landscape of multiple organisations with different priorities, without sufficient co-ordination or strategic integration. Nonetheless, the proposed devolution of the SPF does provide a good opportunity for central and local government to reflect on the wider employment, skills and careers system, how it could be made to work better, and how it could support wider local economic strategies.

In this context, it is worth noting that there is a section in the Levelling Up white paper which suggests that the government does recognise that employment support, skills and careers services can be fragmented. In the section on skills, the government announced three 'Pathfinder' areas, stating:

The UK Government will bring greater alignment to the delivery of employment and skills interventions in new Pathfinder areas. These will bring together local delivery partners from DWP and DfE, including Jobcentre Plus, careers services, local employers, education and training providers, and local government to respond to intelligence about local employers' skills

104 IFF Research. *Evaluation of the European Social Fund*. 2022.

105 House of Commons Work and Pensions Committee. *European Social Fund*. 28 March 2018, p. 3. Available at <https://publications.parliament.uk/pa/cm201719/cmselect/cmworpen/848/848.pdf> [accessed 20/04/2022]

106 HM Government. *Levelling Up*. 2022. p. 241.

107 HM Government. *Levelling Up*. 2022. pp. 241-242.

108 Mercadante, S. The UK Shared Prosperity Fund: What needs to happen next. NCVO, 16 February 2022. Available at <https://blogs.ncvo.org.uk/2022/02/16/levelling-up-through-the-uk-shared-prosperity-fund-what-needs-to-happen-next> [accessed 20/04/2022]

109 Wait, S. Shared Prosperity Fund delays could force closure of community projects, charities warn. Civil Society News, 17 February 2022. Available at www.civilsociety.co.uk/news/ncvo-and-31-more-organisations-call-on-government-for-levelling-up-fund-clarity.html [accessed 20/04/2022]

*needs, supporting people into work and identifying progression opportunities for people in part-time work.*¹¹⁰

These new Pathfinder areas will be in Blackpool, Walsall, and Barking and Dagenham.¹¹¹ Bringing together stakeholders to achieve “greater alignment” in employment, skills and careers services is the right approach: encouraging organisations to work together can improve outcomes. It is encouraging to see this direction of travel, but in our view more can be achieved with wider reforms to fully integrate these services.

LABOUR MARKET FUNCTIONS ARE SPLIT ACROSS CENTRAL GOVERNMENT DEPARTMENTS

In England, labour market functions are split across a number of different departments and arm’s-length bodies.¹¹²

It is of course essential for different government departments to work together on cross-cutting issues such as the labour market. However, the UK government is unusual by international standards in not having a Ministry of Labour.¹¹³ This leads to some of the problems discussed above. The DWP focuses its resources on providing employment support to benefit recipients, which means there is relatively little support for people outside the benefits system. While the DWP is responsible for employment support, it does not have broader labour market functions - which means it doesn’t play a role in supporting businesses, or thinking strategically about the skills the economy will need in the future (responsibilities which sit with BEIS and the DfE). The DWP engages with employers to help people find jobs, but it is not ultimately responsible for fostering the conditions in which local businesses can thrive and grow. This means that the employment support system tends to focus on the supply side of the labour market, rather than the demand side.

TABLE 2

| DEPARTMENT | POLICY RESPONSIBILITY |
|--|--|
| Department for Work and Pensions (DWP) | Benefit administration, employment support, Work and Health Unit |
| Department of Health and Social Care (DHSC) / NHS England | Employment support for people with certain health conditions or disabilities, Work and Health Unit |
| Department for Business, Energy and Industrial Strategy (BEIS) | Business support, industrial strategy, minimum wage, climate policy |
| Department for Levelling Up, Housing and Communities (DLUHC) | Cities and local growth, Shared Prosperity Fund, Levelling Up Fund |
| Local Enterprise Partnerships (LEPs) | Local business support, Growth Hubs, Enterprise Zones |
| Department for Education (DfE) | Skills and training policy, apprenticeships |
| Education and Skills Funding Agency (ESFA) | National Careers Service, apprenticeships, skills and training |
| Home Office | Immigration policy |
| HM Treasury | Funding for services; impact on labour market through fiscal policy |

110 HM Government. *Levelling Up*. 2022. p. 195.

111 HM Government. *Levelling Up*. 2022. p. 195.

112 Organisational structures and responsibilities are different in Scotland, Wales and Northern Ireland.

113 Timmins, N. and others. *Jobs and benefits: The Covid-19 challenge*. Institute for Government and Social Security Advisory Committee, March 2021, p. 25. Available at www.instituteforgovernment.org.uk/sites/default/files/publications/jobs-benefits-covid-challenge.pdf [accessed 20/04/2022]

SECTION 4

THE CURRENT SYSTEM ISN'T ABLE TO ADDRESS THE UK'S ECONOMIC CHALLENGES

The employment support, skills and careers system should be able to help people navigate the wide-ranging economic challenges the UK is facing in the short- and medium-term. Currently, however, the system isn't well set up to respond to these challenges, due to the lack of support available for people not receiving benefits, and the fragmented nature of the different services. These challenges mean that now is the right time to reform the employment support, skills and careers system.

FALLING LABOUR MARKET PARTICIPATION MEANS EMPLOYMENT SUPPORT SHOULD BE OFFERED MORE WIDELY

According to the most recent data available, the formal unemployment rate in the UK stands at 3.8% - around the same level as before the pandemic.¹¹⁴ This is far lower than many people expected, largely due to the success of the Coronavirus Job Retention Scheme.

However, a large number of people have dropped out of the labour market during the pandemic. There are about a million fewer economically active people in the UK than if the pre-pandemic labour market trend had continued (that is, people in employment or unemployed and actively looking for work).¹¹⁵ This is due to a number of factors, but one of them is a rise in economic inactivity, particularly among older workers. The number of people not looking for work due to long-term sickness, disability or early retirement has risen since the start of the pandemic. This partly explains why there have been record vacancies in recent months - there are fewer workers in the labour market than before the pandemic, which is a serious challenge for the UK economy.

As already outlined, currently employment support is primarily provided to people receiving working-age benefits (through Jobcentre Plus and national programmes commissioned by the DWP). There is some support for people not receiving benefits - for example, through charities, programmes funded by the ESF, or the National Careers Service - but it

¹¹⁴ Office for National Statistics. Unemployment rate (aged 16 and over, seasonally adjusted). 12 April 2022. Available at www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/unemployment/timeseries/mgsx/lms [accessed 20/04/2022]

¹¹⁵ Learning and Work Institute. Labour market analysis: February 2022. February 2022. Available at <https://learningandwork.org.uk/what-we-do/employment-and-social-security/labour-market-analysis/february-2022> [accessed 20/04/2022]

is limited. For most people not receiving benefits, there is little employment support available to them, and awareness of what is available is low.

Employment support services should have a role to play in supporting businesses to find the workers they need, and increase labour market participation. However, our current system isn't set up to address the fall in labour market participation in the last few years, because the DWP's employment support is focused on people receiving benefits. This suggests that a redesigned system should offer support to a much wider group of people, beyond just those receiving benefits.

THE UK'S AGEING POPULATION WILL AFFECT THE LABOUR MARKET

The UK is an ageing society, which brings with it challenges for the labour market. First, with people living longer and the state pension age rising, many people will be working longer into their lives than in previous generations. A recent IFS study found that increasing the state pension age to 66 had a significant effect on labour market participation: the employment rate of 65-year-olds increased by 7.4 percentage points for men and 8.5 percentage points for women.¹¹⁶ This suggests that supporting older workers to continue working up to (and potentially beyond) state pension age will be an increasingly important role for employment support services. Supporting an older workforce is also likely to require employment support services and health services to work together more effectively to support people with health conditions. Older people are less likely to return to work after spells of unemployment than younger people, and the current employment support system is not particularly effective for this group.^{117, 118}

Second, for younger people, the increase in life expectancy means that they will have long careers of around 50 years. This means that changing sectors and learning new skills will be important throughout their lives, especially adapting to changing technologies. Employment support services can help people to do this, if they effectively integrate employment support, skills and careers advice.

Third, given the changing age structure of the UK's population, it could be beneficial to increase labour market participation rates among the working-age population to help support the economy and contribute to the tax base. Achieving this would require more holistic support for people further away from the labour market, who face more barriers to work.

THE NET ZERO TRANSITION WILL CAUSE DISRUPTION, BUT WILL ALSO PROVIDE OPPORTUNITIES

The transition over the next few decades to a net zero economy will cause some significant changes in the types of jobs available. This will result in disruption for some people, whose jobs will disappear at some point - this includes workers in the oil and gas sector, or engineers making combustion engines, for example. But the transition will also create new job opportunities, such as in renewable energy, insulation of buildings, and electric vehicle manufacturing. Employment support services can help both of these groups. They can help ensure a just transition by supporting people who will need to switch jobs or move sectors, preventing the scarring effects of the previous energy transition in the UK in the 1980s. They can also support the net zero transition by helping people gain new 'green' skills which will be in demand, and find jobs in growth sectors. This again suggests that employment support services will need to help a broader group of people - for example, supporting people to move from one sector to another, rather than waiting for the individual to become unemployed first.

FUTURE TECHNOLOGICAL CHANGE WILL AFFECT PEOPLE'S JOBS

Technologies such as automation and AI are already starting to have an impact on people's jobs, and this is likely to accelerate in the future. The precise effects of these changes are uncertain: a 2013 paper by Frey and Osborne suggested that 47% of jobs in the United States were at high risk of automation, but more recent studies have lower estimates.¹¹⁹ An OECD study found that 14% of jobs in member

116 Cribb, J. Emmerson, C. and O'Brien, L. The effect of increasing the state pension age to 66 on labour market activity. Institute for Fiscal Studies, 25 January 2022. Available at <https://ifs.org.uk/publications/15911> [accessed 20/04/2022]

117 Centre for Ageing Better. End of furlough likely to be particularly tough for older workers. 17 June 2021. Available at <https://ageing-better.org.uk/news/end-furlough-likely-to-be-particularly-tough-older-workers> [accessed 20/04/2022]

118 McSweeney, A. Will economic inactivity be another unwelcome side-effect of the pandemic? Centre for Ageing Better, 21 March 2022. Available at <https://ageing-better.org.uk/blogs/will-economic-inactivity-be-another-unwelcome-side-effect-pandemic> [accessed 20/04/2022]

119 Frey, C. and Osborne, M. The Future of Employment: How susceptible are jobs to computerisation? University of Oxford, 1 September 2013, p. 38. Available at www.oxfordmartin.ox.ac.uk/publications/the-future-of-employment [accessed 20/04/2022]

states were highly automatable.¹²⁰ In the UK, an Office for National Statistics (ONS) study suggested that 7% of jobs are at 'high risk' of automation, and a further 65% are at 'medium risk'.¹²¹ It does seem reasonably certain that these technologies will cause disruption, with some jobs changing significantly or disappearing entirely. This does not need to be a bad thing: these technologies could help increase productivity and contribute to a dynamic economy.¹²² But those people who either lose their job or see it change will need support to help them retrain or move into a different sector, with support being particularly important for older workers. Employment support services therefore have an important role to play in helping people adapt to the changing nature of work in the 21st century.

120 Nedelkoska, L. and Quintini, G. Automation, skills use and training. OECD, 8 March 2018. Available at <https://doi.org/10.1787/2e2f4eea-en> [accessed 20/04/2022]

121 Office for National Statistics. The probability of automation in England: 2011 and 2017. 25 March 2019. Available at www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/theprobabilityofautomationinengland/2011and2017 [accessed 20/04/2022]

122 House of Commons Business, Energy and Industrial Strategy Committee. *Automation and the future of work*. 9 September 2019. Available at <https://publications.parliament.uk/pa/cm201719/cmselect/cmbeis/1093/1093.pdf> [accessed 20/04/2022]

SECTION 5 TOWARDS A UNIVERSAL WORK SERVICE

SUMMARY OF THE UNIVERSAL WORK SERVICE

- **Universal access**, offering holistic advice to everyone whether in work or out of work, receiving benefits or not receiving benefits.
- **Specialist support** depending on individual circumstances - continuing recent progress in co-ordinating health care and employment support, for example.
- **A fully integrated service**, bringing together employment support, skills and careers services.
- **Work Hubs replacing Jobcentre Plus offices**, co-locating services in 'one stop' locations.
- High-quality **digital services**, with a 'one stop' website providing information, advice, and resources.
- Based on a **flexible national framework** which sets out the key outcomes, objectives and principles for the service.
- **Supporting local people, the local economy and local priorities**, with responsibility for delivery and commissioning devolved to combined authorities or groups of councils in England, and to devolved governments in Scotland, Wales and Northern Ireland.
- Making the best use of **existing local resources** through a mixture of public, private and third sector organisations involved in delivery of services, with the Universal Work Service providing co-ordination.
- **Designed to build strong citizen-coach relationships**, through co-producing shared goals, professional development and support for coaches, and distancing employment support from benefit administration.
- **Designed to strengthen social capital**, through methods such as mentoring, networking, peer groups, and social prescribing, facilitated by a broader range of people using the universally accessible service. This will be supported by a research agenda to improve measurement of social capital and evaluate 'what works'.

Our research suggests that the current employment support, skills and careers system isn't building strong relationships, isn't sufficiently integrated, and isn't able to respond to the economic challenges the UK faces. We are therefore proposing a new service: the Universal Work Service, which will offer support to anyone wanting to find, stay in or progress in work, through a service which strengthens relationships and integrates the employment support, skills and careers system at a local level.

This section describes the design of the Universal Work Service, and how it will address the three problems identified in the previous sections. It also discusses a number of other issues which will require further consideration in implementing the proposals presented in this report.

A NEW SYSTEM DESIGNED TO BUILD STRONG RELATIONSHIPS IS NEEDED

There are a number of ways in which the current system of employment support could be adapted to make it more relational - that is, employment support which strengthens relationships and wider social capital through the way services operate. These could include, for example, employment support providers seeking to facilitate ways of building social capital, such as connecting current jobseekers with former jobseekers who successfully moved into work. These kinds of approaches are already used by some private and third sector organisations, so it would be a case of learning from existing good practice, and adapting those approaches so that they are more widely used across the public sector as well as the private and third sector. These changes would improve employment support services, and should form part of the agenda for change in the short-term.

However, there are some fundamental barriers which make adapting the current system challenging, which is why we are proposing a new service model. The problems with the current system are set out in the preceding sections, but key among them is the close tie between employment support and benefit administration at Jobcentres. This leads to transactional relationships between citizens and work coaches - that is, relationships which are mediated through a compliance-led system which undermines trust. It also means that public sector employment support is only provided to individuals receiving benefits. This means many people are not receiving support which could help them move back into work, which is particularly concerning given the rise in inactivity since the pandemic. The separation between those receiving benefits and those not receiving benefits also has negative implications for people's social connections: in particular, it reduces the scope for strengthening 'bridging social capital',

which as discussed above is particularly valuable in helping people navigate the labour market.

This is combined with an overly centralised approach to employment support, a lack of co-ordination between employment support, skills and careers provision, and the negative perception which many people have toward Jobcentres and the DWP in general. Adjustments to the current system are not capable of overcoming these more fundamental issues. That is why a new system of employment support designed to build strong relationships is needed.

INTRODUCTION TO THE UNIVERSAL WORK SERVICE

The Universal Work Service will aim to help people find, stay in and progress in work. Combined authorities in England and devolved governments in Scotland, Wales and Northern Ireland will have responsibility for delivering and commissioning the Universal Work Service. It will operate on a principle of universal access, with more specialist support offered to people depending on their needs. At the centre of the service will be an emphasis on building strong relationships between citizens and coaches, and between citizens themselves. It will integrate services by bringing together employment support, skills and careers advice, providing a single point of contact both for individuals and for employers.

We are proposing that the Universal Work Service will be delivered and commissioned locally, but be based on a UK national framework which sets out the key outcomes, objectives and principles for the service. This is important to set clear expectations for what the service needs to deliver, within which local areas will have a high degree of flexibility to design the service to suit local residents, employers and economic strategies.

The Universal Work Service will have three key employment-related outcomes, to be judged at a local level:

1. Overall employment rate
2. Employment rate for specific groups - for example, people with disabilities, people with health conditions, long-term unemployed, or people living in deprived areas
3. The proportion of service users moving into sustained work (six months or more), including for disadvantaged groups

The first two of these outcomes are also included in the government's Levelling Up White Paper, under 'Mission 1', so the Universal Work Service can help the government achieve its targets. The third outcome is designed to address a problem with the current system: that many people experience a cycle in and out of short-term work, rather than moving into sustained work.

Because employment rates are affected by the business cycle and wider national or international economic conditions, the effectiveness of a local area should be judged comparatively, for example compared to performance in previous years, other similar areas, and the national average. In devolved systems internationally, accountability for key outcomes is often based on agreed performance targets (with flexibility to reflect different local areas' circumstances). For example, in Canada these are called Labour Market Development Agreements.¹²³

Although we have focused on employment-related outcomes in this report, there are a number of other metrics which could also be assessed, including the proportion of people in low-paid jobs, the proportion of people in skilled jobs, skills or training

outcomes (such as qualifications achieved or courses completed), and service satisfaction ratings (from service users and employers).¹²⁴

To achieve these outcomes, the Universal Work Service will have three key operating objectives specifically for employment support:

1. Improve the quality of the working relationships between citizens and coaches
2. Help people who engage with employment support to increase their social capital
3. Engage and involve more employers

The following sections provide further detail on the design of the Universal Work Service. Although these are our proposals, with a unique focus on strengthening relationships, they build on policy development by others.^{125, 126, 127} They also align with the current direction of travel, with devolution of skills budgets and some parts of employment support to local areas in recent years.

TABLE 3
STRENGTHENING RELATIONSHIPS - SUMMARY

| FEATURE | CURRENT SYSTEM OF EMPLOYMENT SUPPORT | UNIVERSAL WORK SERVICE |
|-----------------------------------|--------------------------------------|--|
| Eligibility | Benefit recipients | Universal eligibility, with varying levels of support depending on need. |
| Co-production | Variable | People involved in defining what they want to achieve through interaction with the service. |
| Professionalisation | Some professionalisation | Greater emphasis on professional development, skills, specialisation and building evidence base via Institute of Employability Professionals with royal charter. |
| Approach to health and disability | Variable | For people whose main barrier to work is health or disability, a specialist employment support provider or the NHS will take the lead in providing and co-ordinating support for the individual. |

123 Local Government Association. *Work Local*. 2017. p. 45.

124 Local Government Association. *Work Local*. 2017. p. 46.

125 Miscampbell, G. and Porter, R. *Joined Up Welfare: The next steps for personalisation*. Policy Exchange, 21 July 2014. Available at <https://policyexchange.org.uk/publication/joined-up-welfare-the-next-steps-for-personalisation> [accessed 20/04/2022]

126 Local Government Association. *Work Local*. 2017.

127 Pollard and Tjoa. *This Isn't Working*. 2020.

| | | |
|----------------------------------|--|---|
| In-work support | Limited (via Jobcentre Plus - other programmes vary) | The same coach who provided support to an individual would continue to be available to provide support for 12 months after they move into work. |
| Approach to social capital | Limited (via Jobcentre Plus - other programmes vary) | Strong emphasis on building social capital through approaches such as social networks, mentoring, 'social prescribing' and peer groups. Trials to test effectiveness of different approaches. |
| Involvement of friends or family | Variable | Coaches encourage people to bring a friend or family member to an early meeting, to map out the individual's social connections which they could use to help them find work. |

THE UNIVERSAL WORK SERVICE WILL BE DESIGNED TO BUILD STRONG RELATIONSHIPS

Relationships between citizens and coaches

A key feature of the Universal Work Service's design will be to strengthen the relationships between citizens and coaches, which are central to achieving good outcomes through employment support.

The Universal Work Service will be a universal public service, offering support without eligibility requirements. This is a fundamentally different model to the service that currently exists in the UK, but it is not unusual by international standards. In the US, for example, American Job Centers provide universal access to all citizens (whether receiving benefits or not). This will expand the focus of the Universal Work Service from people receiving benefits to wider support, including for example people wanting to change sectors or roles. This will enable many more people to have access to professional support. As physical locations, Work Hubs will replace Jobcentre Plus offices. They will take a 'one stop' approach to providing a range of services in one location. This will enable coaches to take a holistic approach to supporting people, strengthening the coach-citizen relationship.

There will be different levels of support available to different people. While some people may only want one or two meetings with a coach at the Universal Work Service, others who are further away from the labour market will need more specialist support. Here the role for the Universal Work Service will be to act as a 'gateway' to other employment support providers - for example, a provider helping young people or people with disabilities. In this way, the Universal Work Service can direct people to providers which have the specialist expertise and knowledge to support them. Universal Work Service coaches will need to know about the different providers in their area and have close links with

them. For people whose main barrier to work is a disability or health condition, specialist support could be provided by an employment support provider or the NHS.

As part of the holistic support offered by the Universal Work Service, there will be close partnerships with the wider third sector in the local area. Many people who are unemployed face a range of other challenges in their lives, which may be the real barriers to work. In many cases, employment support providers may not be best placed to help people address these challenges. Instead, they should work closely with other third sector organisations who can offer support - for example, financial advice. This means coaches should refer people to third sector organisations which can help them. As 'one stop' locations, Work Hubs should also enable representatives of third sector organisations to be co-located in the hubs, and available for people to speak to.

Two key principles will strengthen the relationships between citizens and coaches in the Universal Work Service:

Co-production. This means giving citizens agency to define what they want to achieve through their interaction with the Universal Work Service (or other provider). Coaches will work with citizens to develop an 'action plan', depending on their circumstances. For some people, this will be moving from non-employment into employment. But for others it could be learning new skills, changing sectors, or getting work experience. A co-produced action plan can combine the coach's professional knowledge with the citizen's individual aspirations, leading to a more effective working relationship.

Another way of supporting co-production is by using a 'personal budget' in employment support services. This is unallocated money which can be spent by the citizen and/or their coach, to address specific work-related issues. The Liverpool City

Region Youth Employment Gateway (2014-2017), for example, included a budget of £500 per participant. Examples of expenditure included training licences (e.g. driving licence, DBS check, construction skills certificate), work clothes or travel to interviews. According to the evaluation of the programme, “the flexibility of the budget, in terms of what it could be spent on, was seen as a major advantage, and indeed a key selling point of the... programme, for advisers and participants alike.”¹²⁸ Personal budgets have also been used in employment support in the Netherlands, with participants reporting a greater sense of autonomy and responsibility, and leading to better employment outcomes compared to traditional programmes.¹²⁹ This is one way to give citizens more agency in the process, strengthening the ‘working alliance’ between the citizen and coach. Personal budgets could also be awarded to groups rather than just individuals, who could, for example, be involved in commissioning services in a local area.¹³⁰ There are also opportunities here to learn from other services which use personal budgets, such as social care.

Continuity. This refers to a consistent citizen-coach relationship over time. A working relationship develops over time, and so it is vital for people to see the same coach on a regular basis. Each citizen interacting with the Universal Work Service will have a ‘lead coach’ - the person with whom they have meetings, and who helps them navigate the various options available to them. The lead coach responsibilities should transfer to an employment support provider if they are the main organisation supporting someone, with the same principle of continuity applying as far as possible, to ensure that strong working relationships between coaches and citizens can develop over time.

Continuity will extend to in-work support. In-work support, especially for people with more complex needs, is important - it is a crucial part of Individual Placement and Support (IPS), for example, which has a strong evidence base for its effectiveness. Since individuals who move from non-employment into work are likely to find it the hardest to sustain employment, for those people the same lead coach will continue to be available to provide support for 12 months after the individual moves into work. The coach should also offer support to the employer if appropriate, given the value of a close link between coach and employer demonstrated in the IPS model.

The relational approach relies on having excellent coaches who are able to build strong working relationships characterised by trust with individual

citizens. This means that there should be an increased emphasis on professional development for employment support coaches. This would encourage recognition of the role as a high-skilled and respected job, which in turn can contribute to attracting and retaining high-quality coaches. To support this agenda, we propose that the government should consider granting a royal charter to the Institute of Employability Professionals, to enable it to increase its profile and further encourage professional development in the sector.

Relationship between citizens

As discussed above, there is strong evidence that social capital is key to helping people find jobs. Strengthening social capital by building relationships between citizens will be a core objective of the Universal Work Service. Although the focus in this report is the effect on employment, building social capital will also lead to a range of other co-benefits, such as strengthening communities in local areas and improving individual wellbeing.

Strengthening social capital will be a key objective for both the Universal Work Service overall and for individual employment support organisations. Since this is an innovative objective for employment support, new ways of measuring social capital will need to be developed so that different methods of building social capital can be compared and evaluated. Different approaches could be trialled to test their effectiveness for different groups, and establish an evidence base about what works in building people’s social connections. A second strand of research will be needed to examine the impact of different kinds of social capital on work, including moving into work, increasing pay or being able to move jobs. The existing evidence suggests that bridging social capital is more important than bonding social capital, for example.

Broadly speaking, there are two approaches to building social capital through the Universal Work Service: through employment support providers themselves, and through other organisations.

128 Ray, Crunden and Murphy. *Youth Employment Gateway Evaluation*. 2018. p. 51.

129 Martinez, C. and Pritchard, J. *Proceed with caution: What makes personal budgets work?* Reform, February 2019, p. 25. Available at https://reform.uk/sites/default/files/2019-02/Personal%20Budgets_AW_4_0.pdf [accessed 20/04/2022]

130 Glover. *The future of the DWP*. 2019. p. 39.

First, employment support providers can strengthen social capital by directly facilitating social connections. Many of these approaches are already used by some providers - the Universal Work Service's role is to encourage expansion so that more people can benefit from them:

- **Mentoring.** For example, connecting somebody currently using a service to somebody else who has successfully used the same service. This could look like visiting a former user at their current workplace, or a more sustained mentoring scheme whereby a former service user offers support to a current user as an 'expert by experience'. We heard at our roundtable that this kind of approach can be effective, especially for young people.¹³¹
- **Service user participation.** This could look like, for example, co-designing services with users, which can strengthen social connections, build individuals' confidence, and improve service design.¹³²
- **Creating networks.** Creating networks can be effective because it brings people together and enables them to help each other. This would look like bringing together a mixed group of people (i.e. people in work and out of work; current and former service users), and enabling them to become part of a mixed social network. This could be facilitated through technology, but should also involve in-person meetings as well. When people use the Universal Work Service, they could be invited to become part of a local network - and because the Universal Work Service has no eligibility criteria, this would be a good way of bringing people together with different backgrounds and experiences.
- **Meetings and events.** Facilitated events or meetings could help people build social connections. Hilary Cottam's Backr experiment, for example, drew in mixed groups of people by inviting people to meet other members at daytime or evening meetings. There are lots of opportunities here - hosting talks from employers, sessions about particular sectors or industries, and so on. The Universal Work Service could host these sessions, and deliberately ensure there is time before and after any talk or facilitated section for people to chat.

- **Peer groups.** Although the evidence shows that mixed social groups are likely to be the most effective for helping people find work, peer groups can also help people by reducing loneliness during a period of unemployment. Some programmes and employment support providers already run group sessions, which can vary in terms of formality. For example, both coaches and individuals on the programme 'Making it Work', for lone parents in Scotland, said that peer group sessions were beneficial.¹³³
- **Encouraging a friend or family member to attend a meeting.** Encouraging a friend or family member to attend a meeting with a coach would give an opportunity to discuss the individual's social connections, and who they could speak to who might be able to offer them advice or support. It could also give an opportunity to discuss barriers to work (e.g. childcare) - people don't live as isolated individuals, but as members of families and local communities. Of course, this approach is not appropriate in all circumstances, and would need to be used carefully by the coach.

Second, the Universal Work Service can build social capital by utilising other organisations and community networks in their local area. The Universal Work Service can play a key 'signposting' role here, connecting people with groups, networks and organisations which match their interests. While participating in such groups, or taking up voluntary roles, is not an alternative to paid employment, it can strengthen people's social capital and build their confidence, as well as reducing loneliness and improving their wellbeing. Employment support providers can also learn from the 'social prescribing' model in health and social care. NHS England is committing funding to social prescribing 'link workers', who connect people referred by GPs or others to a range of opportunities in their local community.¹³⁴ Employment support coaches could play a similar role, or could also refer people to link workers, fulfilling a similar role to GPs.

131 Demos roundtable.

132 Damm and others. *Talent Match Evaluation*. 2020.

133 Batty, E. and others. *Making it Work: Learning and Evaluation Contract - final report*. Sheffield Hallam University, 30 October 2017, pp. 26-27. Available at www.shu.ac.uk/centre-regional-economic-social-research/publications/making-it-work-learning-and-evaluation-contract---final-report [accessed 20/04/2022]

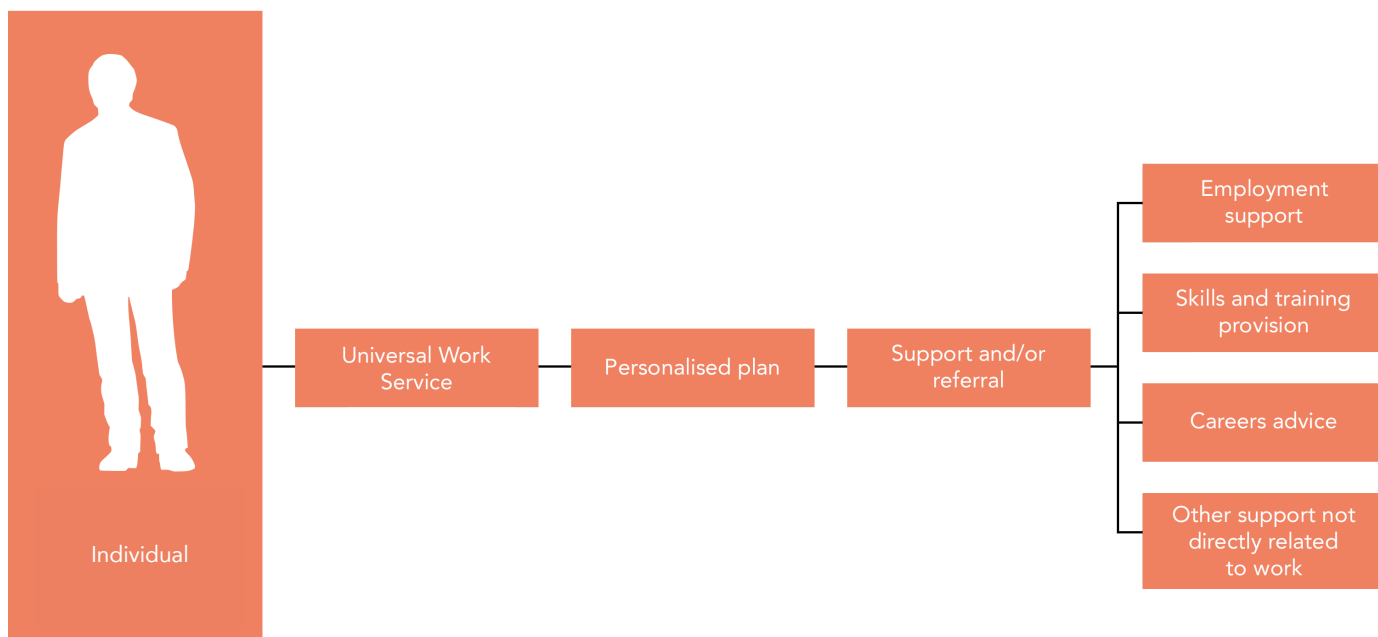
134 Buck, D. and Ewbank, L. What is social prescribing? The King's Fund, 4 November 2020. Available at www.kingsfund.org.uk/publications/social-prescribing [accessed 20/04/2022]

THE UNIVERSAL WORK SERVICE WILL INTEGRATE SERVICES AT A LOCAL LEVEL

TABLE 4
INTEGRATING SERVICES - SUMMARY

| FEATURE | CURRENT SYSTEM | UNIVERSAL WORK SERVICE |
|------------------------------------|---|--|
| Employment support commissioning | DWP, ESF programmes, devolved governments, local authorities | Combined authorities or groups of councils in England, and devolved governments in Scotland, Wales and Northern Ireland |
| Employment support delivery | Public, private and third sector organisations | Public, private and third sector organisations |
| Skills delivery and commissioning | DfE; combined authorities; devolved governments in Scotland, Wales and Northern Ireland | Devolved to same governance level as employment support; integrated with Universal Work Service |
| Careers delivery and commissioning | ESFA (National Careers Service) | Devolved to same governance level as employment support; integrated with Universal Work Service |
| Physical locations | Jobcentre Plus (and other locations) | Work Hubs provide 'one stop' location |
| Partnership working | Variable | Collaborative working in local areas through stakeholder partnerships |
| Health and social care services | Varying levels of integration depending on local area and programme of employment support | Emphasis on collaboration with health and social care services, recognising that health or disability can be a barrier to work, but that work can also be beneficial for people's health and wellbeing |
| Employer and business involvement | Limited; complex and fragmented system | Included in stakeholder partnerships; Universal Work Service provides clear single point of contact for employers to engage with employment and skills in local area |
| Third sector involvement | Variable | Third sector organisations provide employment support; close partnerships with third sector organisations to help people with other issues (e.g. financial advice, housing) |
| Digital | Variable | High-quality digital service, providing accessible information to people as well as offering online advice, training and skills. |
| Employment-related benefits | Central government (GB) | Central government (GB) |

FIGURE 6
UNIVERSAL WORK SERVICE FROM AN INDIVIDUAL'S PERSPECTIVE



Combined authorities (or an appropriate group of councils, depending on the area) will deliver and commission the Universal Work Service in their local areas in England. The current system is confusing and fragmented, partly due to the different governance levels at which decisions are taken. Currently, at different governance levels and geographical areas, the DWP, combined authorities, local councils, the NHS, ESF programmes and independent charities all provide employment support.

For most people, there is a link between where they live and where they work. The rise of remote working during the pandemic does mean that this is not true for everyone: some people will be able to work remotely from anywhere in the UK, without any link to where their employer is based. However, indications so far suggest that only a minority of people will work remotely all the time.¹³⁵ Surveys of both employees and employers suggest that hybrid working arrangements are likely to be more common.¹³⁶ For people who exclusively travel to work, or who work in a hybrid pattern, employment support services will need to help people find work in their local area (broadly defined as a large travel-to-work area). This will usually involve connecting an individual with a local employer, which means that the links between employment support providers

and employers are important. During our research, provider organisations told us these connections are particularly important for people with barriers to work or facing disadvantage.¹³⁷ Employment support is also influenced by many other factors associated with the local labour market: the types of jobs available both now and in the future, the support given to certain sectors or businesses to help them grow and take on more employees, public transport availability and planning, and a local area's wider economic growth strategy.

All of these factors suggest that local areas should be given responsibility for employment support. This should be aligned with local economic geographies, such as large travel-to-work areas: employment support is affected by, and can make an important contribution to, the local economy, and so its governance should sit at that level. In England, these should be combined authorities or groups of councils covering wider functional economic areas. This can align with the government's wider devolution agenda in England, including combined authorities and county deals, as set out in the Levelling Up White Paper.¹³⁸ We recognise that there are questions around local government geography and capability within England, and that the landscape of local government is complex and currently evolving. We propose that the Universal Work Service model

¹³⁵ Office for National Statistics. Coronavirus and the social impacts on Great Britain: 1 April 2022. 1 April 2022. Available at www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/healthandwellbeing/bulletins/coronavirusandthesocialimpactsongreatbritain/latest [accessed 20/04/2022]

¹³⁶ Phillips, A. and Lasko-Skinner, R. *Inside Jobs: The experience of low-paid homeworkers in Britain today*. Demos, 8 December 2021. Available at <https://demos.co.uk/project/inside-jobs> [accessed 20/04/2022]

¹³⁷ Demos interviews.

¹³⁸ HM Government. *Levelling Up*. 2022.

should be initially devolved to established combined authority areas, especially where areas already have some control over employment support and/or skills - for example, London, Manchester and the West Midlands, building on existing arrangements and the new 'trailblazer' deals announced in the Levelling Up White Paper. This would give the opportunity to trial the system and take a 'test and learn' approach, before rolling out the Universal Work Service model more widely across other areas. In Scotland, Wales and Northern Ireland the devolved governments should have responsibility for employment support. Most public services are already devolved; employment support is unusual in still being delivered centrally across Great Britain. Devolution will also build on existing arrangements. Employment support is already devolved in Northern Ireland, although in practice policy is similar to that used in Britain (with some differences). Scotland has responsibility for some parts of employment support (such as the Work and Health Programme), and also has its own employment support service called Fair Start Scotland. In 2019, the Welsh government launched a new service called Working Wales (delivered by Careers Wales).¹³⁹ This service offers universal employment and careers advice to all Welsh adults, and is designed to reduce complexity and make it easier for people to access support - principles which are similar to the Universal Work Service.^{140, 141} The devolved governments should be able to decide whether to further devolve responsibility for the Universal Work Service to more local areas within their respective territories.

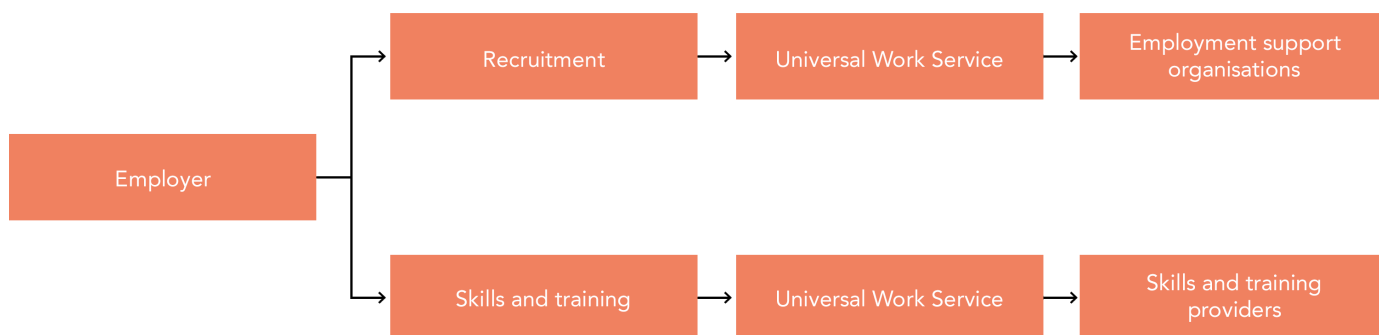
The aim should be to ensure that employment support, skills and careers policies sit at the same governance level. These are complementary policy areas, and for many people improving skills will be a

key way to find, stay in or progress in work. The adult education budget is devolved to mayoral combined authorities in England, and more broadly education, skills and careers advice are devolved in Scotland, Wales and Northern Ireland. Devolution of the adult education budget is also part of the government's 'devolution framework' set out in the Levelling Up White Paper.¹⁴² By extending this approach, employment support and skills policy can be brought together so that the Universal Work Service can offer holistic support to people.

A key advantage that devolving the Universal Work Service offers is the opportunity to build better links with employers. By giving responsibility to local areas, there will be a clear single point of contact for employers wanting to engage with the employment support and skills system in their local area. The Universal Work Service will be able to help employers grow their businesses, expand their workforce, and provide training for their workers. At the same time, the local authority can assist employment support providers by helping strengthen their links with employers, improving providers' ability to match individuals with appropriate jobs.

As noted in this report, there are a number of different employment support providers operating at the moment across the public, private and third sectors. These organisations have significant expertise in helping different groups of people find work, and the Universal Work Service in each local area should draw on this existing expertise. Although local areas will be able to choose how to commission and/or deliver employment support services, we anticipate that local areas will continue to use a combination of public, private and third sector provision: this is true of areas with some devolution already, such as Manchester and Scotland.

FIGURE 7
UNIVERSAL WORK SERVICE FROM AN EMPLOYER'S PERSPECTIVE



139 Welsh Government. Working Wales. (no date). Available at <https://workingwales.gov.wales> [accessed 20/04/2022]

140 Welsh Government. Working Wales: Briefing for stakeholders. (no date). Available at https://gov.wales/sites/default/files/publications/2019-04/working-wales-briefing-for-stakeholders_0.pdf [accessed 20/04/2022]

141 Skates, K. Written Statement: The Employability Plan - One Year On. Welsh Government, 19 March 2019. Available at <https://gov.wales/written-statement-employability-plan-one-year> [accessed 20/04/2022]

142 HM Government. Levelling Up. 2022. p. 140.

Each local area should have flexibility to decide how to pay providers: currently the main payment method is a block contract, often with a payment by results mechanism. Local areas could, however, experiment with alternatives - for example, a 'voucher' system such as that used in Germany, which allows people to choose their own employment support provider. It is likely that, under any payment system, local areas would want to ensure that part of the payment is based on outcomes, in order to ensure that providers are rewarded based on the quality of their employment support.

The Universal Work Service will also have a strong digital component, complementing physical Work Hubs. Currently, trying to navigate the employment support landscape as an individual is difficult. Employment support providers, careers advice, skills and training and other forms of support are all run separately, and therefore all have separate websites. This makes it unnecessarily difficult to find advice, guidance and information. A unified website will serve multiple purposes:

- **Information** - providing clear information about what is available in the local area, and how to access it. The Universal Work Service will be a 'gateway' to some of these services, but it should also provide information about services which are open to anyone.
- **Resources** - the website could offer high-quality resources, such as advice on job applications, CV writing and so on.
- **Skills and training** - hosting or providing links to online courses and training.
- **Advice for individuals** - some services can be delivered online. Of course for many people in-person meetings may be more beneficial, but delivering some services digitally is likely to be effective. A 'test and learn' approach should be adopted to discover what works for different groups. The UK can also learn from other countries: for example, Australia's New Employment Services Model, which is being introduced in 2022, has a strong emphasis on its digital platform, and Estonia runs online 'job fairs' and provides remote careers advice.^{143, 144}

In the short term, we propose that national oversight in England for the Universal Work Service should be provided by a cross-government unit or committee, bringing together the various different departments with responsibility for labour market functions. In the medium term, however, we would propose bringing

together some of these policy areas into one central government department, so that national oversight in England reflects the integrated nature of local support through the Universal Work Service. In our view there would be value in bringing together both supply- and demand-side policy at a national level, which would suggest that BEIS should provide oversight for the Universal Work Service in the medium term. This would mean that BEIS would have a national view for England on business support and economic growth on the demand side, as well as employment support, skills and careers advice on the supply side. In this way, the department would have responsibility for oversight of the support provided by the devolved Universal Work Service to help people find jobs, as well as responsibility for supporting businesses to create jobs. We recognise that this would be a major change to the machinery of government, but it would be beneficial to align national policy oversight for the Universal Work Service with national oversight for the broader employment environment.

THE UNIVERSAL WORK SERVICE WILL HELP ADDRESS THE UK'S ECONOMIC CHALLENGES

As discussed in the previous section, the current employment support, skills and careers system isn't well set up to respond to the economic challenges facing the UK, either in the short or medium term. This is why now is the right time to redesign the system by introducing the Universal Work Service.

By offering universal eligibility, the Universal Work Service can help address the problem of labour market participation. Instead of just offering help to people receiving benefits, the new service will offer help to anyone who wants to find, stay in or progress in work. This means it can offer help to the millions of people who are either not working or under-employed, but who aren't eligible for support at the moment.

The Universal Work Service will be better able to support older people, who have some of the worst outcomes in the current system. Key here will be the service's in-work offer, helping take a 'preventative' approach which is likely to help older people in particular. It will be able to offer support to older people to stay in work, for example if they have a health condition, before they lose their job. Equally, coaches will be able to offer older people advice about learning new skills, or switching sectors when necessary.

143 Department of Education, Skills and Employment. Workforce Australia. Australian Government, 15 March 2022. Available at www.dese.gov.au/new-employment-services-model [accessed 20/04/2022]

144 Holland, K. and Mann, A. How Estonia is delivering online career guidance during the coronavirus crisis. OECD Education and Skills Today, 15 April 2020. Available at <https://oecd.edu.today.com/estonia-online-career-guidance-during-coronavirus-crisis> [accessed 20/04/2022]

The Universal Work Service will be able to support the transition to a low-carbon economy. It will be able to strategically support local decarbonisation and industrial strategies by promoting jobs and skills in growth sectors - for example, home insulation, electric vehicle manufacturing or low-carbon electricity generation. There is current concern that there will be skills shortages for some of these growth sectors.¹⁴⁵ By bringing together employment support, skills and careers at a local level, the Universal Work Service can support the transition by raising awareness of local 'green' industries so that more people choose to work in them. On the other hand, the Universal Work Service can also help support a 'just transition' for workers currently employed in sectors that will decline or change (for example, internal combustion engine vehicles and associated supply chains). Here, it is crucial that people have access to high-quality advice and support before jobs are lost in these sectors, so that, for example, people have time to retrain or learn new skills to move across to a different sector.

A dynamic and innovative economy benefits everyone overall, but the rapid pace of technological change will continue to cause some disruption to people's jobs. As was seen in the 1980s, people need support to adapt to change, especially if it affects particular sectors. Automation and AI can benefit the UK's economy, but we must ensure workers whose jobs are affected have support available to them. This will, of course, vary in different areas of the country - the local nature of the Universal Work Service can help address these issues as and when they arise, making the country's labour force more resilient and able to adapt to change.

ISSUES REQUIRING FURTHER CONSIDERATION

This report seeks to introduce the idea of the Universal Work Service, and to provide an outline of how it would operate. It is not, however, designed to describe every part of the service, and there are some issues that will require further consideration. We have set out our initial thinking on some of these areas below, while recognising that working through all the details raised is outside the scope of this report.

How the Universal Work Service will complement a national approach to social security

The focus of this report is on employment support, rather than the social security system. Universal Credit and other working-age benefits should continue to be administered at a national level, recognising the advantages of a national system with uniform entitlement rules. Given the current system which makes out-of-work benefits for people without a disability or health condition conditional on undertaking work search activity, this means that there will need to be appropriate information sharing between the locally-run Universal Work Service and the nationally-run social security system, as happens in other countries, such as Denmark.¹⁴⁶ We discuss more details of this below, but we recognise that in the UK context this will be a major change, and so will require more detailed development to identify the best mechanisms for ensuring that employment support and social security work well together.

For people not receiving working-age benefits, interactions with the Universal Work Service will be voluntary. However, for people inside the benefits system, a judgement will need to be made about the appropriate level of conditionality and sanctions. At a high level, there is a tension between facilitating the maximum level of trust between citizens and coaches, and running a benefits system which involves conditionality and sanctions. A wide range of evidence explored in this paper suggests that benefits conditionality, and the potential and actual use of sanctions, undermines trust in citizen-coach relationships. The application of sanctions themselves causes a range of negative outcomes, reducing the effectiveness of employment support.¹⁴⁷ On the other hand, conditionality may have a role to play in encouraging people to seek work, in reducing expenditure on benefits, and in ensuring that working-age social security is perceived as 'fair'. These issues are discussed in further detail below.

A case can be made for some conditionality for fit working-age people - that is, an expectation that people receiving certain kinds of working-age unemployment benefits have to undertake activities to help them find work. Conditionality may encourage some people further from the labour

145 Green Jobs Taskforce. Report to Government, Industry and the Skills Sector. GOV.UK, 2021, p. 20. Available at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1003570/gjtf-report.pdf [accessed 20/04/2022]

146 Finn, D. *The organisation and regulation of the Public Employment Service and of Private Employment and Temporary Work Agencies: the experience of selected European countries – the Netherlands, Denmark, Germany and the United Kingdom*. Learning and Work Institute, May 2016, p. 52. Available at <https://researchportal.port.ac.uk/en/publications/the-organisation-and-regulation-of-the-public-employment-service-> [accessed 20/04/2022]

147 Dwyer. *Welfare Conditionality*. 2018.

market to engage with employment support, who may be the people who stand to benefit the most from personalised support. However, these arguments do not apply to people with disabilities or long-term health conditions, who should be provided stable financial support which enables them to engage with employment support, if appropriate for them.¹⁴⁸

Research generally shows that both people receiving benefits and people not receiving benefits support some kind of conditionality in principle (although people are critical of how the system operates in practice).^{149, 150} However, research has also shown that sanctions cause a range of serious problems for people, including destitution, debt, and ill health.¹⁵¹ Some studies have found that sanctions increase employment, but also reduce length of time in work and reduce earnings; sanctions also cause more people to leave the social security system altogether, without moving into work.¹⁵² More broadly, a system where people are fearful of losing benefits and falling into poverty or destitution will clearly not be conducive to building strong relationships between citizens and coaches.

We believe it would be possible for the Universal Work Service to operate with a social security system similar to the one we have now. Staff working for the social security agency would need to direct people to their local Universal Work Service in order to receive employment support, and would need to explain that attendance is mandatory. Universal Work Service coaches would then provide information to social security staff about people's engagement with the service (their efforts to find a job; attendance at meetings; engagement with training or skills provision). If an individual was not engaging with employment support, the social security agency would need to remind them about the mandatory nature of the support, and impose sanctions if people refused to engage (as happens now). The advantage of this approach is that there would be a clear separation between the organisation offering employment support (the Universal Work Service) and the organisation awarding conditional benefits and making decisions about possible sanctions.

However, there are some disadvantages to this kind of approach from a relational perspective. A mandated relationship between citizen and coach may not be as effective as a voluntary one, and there

is a risk that Universal Work Service coaches are perceived as 'reporting' on people's behaviour, which could undermine the strong working relationships needed between citizens and coaches. This would suggest that conditionality in the system should be reduced - moving to a system where the application of a sanction was rare and only used as a last resort, for example, is likely to be beneficial.

More could be done to give people choice within a conditionality model: Australia's new system, called Workforce Australia, has a Points Based Activation System which enables people to choose what activities they do in order to meet the conditionality requirements.¹⁵³

As described above, the evidence base for conditionality and sanctions is mixed, with some positive and some negative results. However, the evidence base in the UK is quite weak: the National Audit Office stated that the DWP "has not used its own data to evaluate the impact of sanctions in the UK", "has not supported wider work to improve understanding of sanction outcomes", and "does not track the costs and benefits of sanctions".¹⁵⁴ We recommend that several Universal Work Service areas should run trials with no conditionality (for example, for 12 months or two years): these could be set up as Randomised Control Trials, with other areas serving as comparators, to assess the effects of running a system without conditionality. These trials should take into account wider costs and benefits: effects on employment outcomes, the number of people receiving working-age benefits, people's earnings, the length of time people stay in employment, moves into economic inactivity, people's health, the use of foodbanks, local authority welfare spending, the impact on employers, and so on.

Interaction with schools and colleges

We have not covered in this report how the Universal Work Service will complement the work of schools and colleges. The main issues to consider here are careers advice, and the skills and employment system for 16-19 year olds.

First, schools and colleges currently offer careers and skills advice to students. The Universal Work Service could replace this, offering a single all-age careers advice service. Alternatively, it could offer careers advice at a certain age (probably 16+), with schools

148 Pollard and Tjoa. *This Isn't Working*. 2020.

149 Dwyer. *Welfare Conditionality*. 2018. p. 105.

150 Heywood, J. and Dupont, J. *Fair Welfare*. Centre for Policy Studies, September 2021, p. 79. Available at <https://cps.org.uk/research/fair-welfare> [accessed 20/04/2022].

151 Dwyer. *Welfare Conditionality*. 2018.

152 Comptroller and Auditor General. *Benefit sanctions*. 2016.

153 Department of Education, Skills and Employment. *Employment Services - information for job seekers*. Australian Government, 15 March 2022. Available at www.dese.gov.au/workforce-australia/employment-services-information-job-seekers [accessed 20/04/2022].

154 Comptroller and Auditor General. *Benefit sanctions*. 2016. p. 9.

given responsibility for any careers advice at younger ages.

Second, there are some further questions to be answered about how the Universal Work Service would complement current approaches for 16-19 year olds. This includes areas such as apprenticeships, T Levels, 16-19 courses, and employment support for young people. It is recognised that employment support and skills provision for young people requires specialist approaches, and there are currently some programmes from the DWP and the ESF for young people (usually 18-24), alongside a range of other organisations which specifically focus on supporting this group. A local Universal Work Service, which will integrate employment support, skills and careers services, will therefore need to have a specialised approach for supporting young people, working in partnership with other stakeholders.

Funding for the Universal Work Service

We have not attempted to assess the estimated cost and funding mechanisms for the Universal Work Service in this report. However, we provide an outline below, recognising this would require further analysis to develop in more detail.

Primary funding for the Universal Work Service will come from existing spending on services. The most significant of these is employment support in Jobcentre Plus. Other spending includes contracted programmes (such as the Work and Health Programme), local councils' existing employment support services, the Shared Prosperity Fund, the National Careers Service, adult skills budgets, and apprenticeship funding. By integrating these services, removing silos and bringing together different funding sources, there is clear potential for the Universal Work Service to spend money more efficiently compared to the current system. On the other hand, we recognise that providing universal access will bring additional costs compared to the current system, although the level of costs depends on the number of people using the service and the number of staff employed. We also recognise there would be transition costs in setting up the Universal Work Service in a local area. Central government should replace existing spending with grant funding devolved to local areas, but there could also be a needs-based element so that areas with higher needs are given additional funding.¹⁵⁵

Local accountability for the Universal Work Service

There is a tension in devolving services, between giving local areas control and flexibility while also having local accountability for the quality of service provided to citizens. Striking the right balance is crucial: it is important that local areas can adapt services to suit local needs, which means that central government must not be too prescriptive or controlling. However, it is appropriate for there to be an accountability mechanism to ensure that local areas are meeting agreed expectations, and to address problems if they arise (for example, if service users' satisfaction is low in a given area).

In broad terms, we think there are three priorities for achieving the right kind of balance here:

- A national framework, setting out the main principles of the Universal Work Service and minimum service guarantees
- A high degree of local autonomy and flexibility, enabled through grant funding
- Appropriate accountability mechanisms, such as annual service agreements between central and local government, oversight of a local Universal Work Service from a joint board, and input from service users through user panels and satisfaction surveys

The LGA's Work Local proposals have more detail on some of these features, for example annual service agreements, modelled on international examples of devolved employment and skills systems.¹⁵⁶

Aligning incentives

Related to the above section on accountability, another important question to consider is how to align incentives appropriately so that Universal Work Service areas have the interests of citizens at the centre of their provision.

With central government responsible for the social security system, but local areas responsible for employment support, there is a potential concern that local areas will not have a financial incentive to help people find work (or work more hours), and thereby reduce expenditure on working-age benefits. This can partially be addressed by the accountability mechanisms described above. However, sharing financial incentives could also help reduce central government's concerns. There are some international examples of this: in Denmark and the Netherlands, for example, social security spending is shared

¹⁵⁵ Local Government Association. *Work Local*. 2017. p. 39.

¹⁵⁶ Local Government Association. *Work Local*. 2017. p. 10.

between central and local government so that incentives are aligned.^{157, 158} Alternatively, the New Local report *This Isn't Working* recommended that local areas be given a proportion of savings when expenditure on working-age social security reduces in the area, effectively offering a financial reward to areas that perform well.¹⁵⁹

In a devolved system, there is also a risk that local areas prioritise employment within their local area, rather than securing the best outcomes for the people they are supporting. We have attempted to address this in our recommendations:

1. First, this concern can be addressed by ensuring that the geography of Universal Work Service areas aligns with economic geography as far as possible, so that most people live and work in the same area.
2. Second, accountability for key outcomes - such as employment rates - will ensure that local areas focus on securing outcomes for people who live in the area, regardless of where they work.

There remains a question about how to ensure different Universal Work Service areas work in effective partnership with each other: this could be addressed in the national framework to ensure that different areas have a duty to work in partnership with bordering areas.

Branding of the Universal Work Service

We have used the name Universal Work Service throughout this report, but recognise that there is a tension between brand recognition and local adaptability. On the one hand, there are advantages to a national brand: a consistent name across the country will increase knowledge of the service and what it offers, and will make it easy for people to find when they move from one area to another. This would suggest consistent branding to be used across England, at least - for example, the Universal Work Service. On the other hand, it is possible that local brands bring their own advantages, being able to incorporate the name of the area, for example, to emphasise the local nature of the service. The obvious disadvantage is that this will reduce overall awareness of the service at a national level, and potentially make it harder for people to find when moving from one area to another.

Digital services

Digital services should be an important part of the Universal Work Service, with the potential to deliver cost-effective high-quality employment, skills and careers support. Digital services can complement, but not replace, in-person services. For this report, we have not looked in detail at the digital services currently provided by the DWP, nor at international examples of the use of digital technology in employment, skills and careers services. We provide some initial possibilities below.

- **A Universal Work Service website**, with information about what is available, where to go, how to book appointments, and so on.
- **Digital resources for employment support, skills and careers.** These should be curated and high-quality - potentially commissioned by central government for economies of scale. This could include, for example, advice on CV writing, or filling in job applications. It should also include basic skills courses - for example, maths, English and digital skills. The government's Skills Toolkit is an example of the kind of resources that could be made available.¹⁶⁰
- **Remote appointments.** Although not suitable for everyone, remote appointments could be effective in delivering support to some people. Employment support providers now have some experience in delivering online support because of the pandemic, and there is an opportunity to build on this.
- **A personalised experience for people using the Universal Work Service.** This could build on what already exists in the current system with the online Journal, which allows coaches and service users to communicate online. Coaches could give access to specific courses or training to people through an online platform. This can potentially be extended further: in Australia, the new Workforce Australia service uses a points-based system to replace the previous conditionality system, allowing people to gain 'points' by completing online training.¹⁶¹

157 Local Government Association. *Work Local*. 2017. pp. 38-39.

158 Finn. *Organisation and regulation of the Public Employment Service*. 2016, p. 51.

159 Pollard and Tjoa. *This Isn't Working*. 2020. pp. 84-89.

160 HM Government. *The Skills Toolkit*. GOV.UK, (no date). Available at <https://theskillstoolkit.campaign.gov.uk> [accessed 20/04/2022]

161 Department of Education, Skills and Employment. *Information for job seekers*. Australian Government, 2022.

Measuring social capital and evaluating 'what works'

This report argues that the Universal Work Service can play an important role in strengthening social capital, which in turn can help people find jobs. However, there are two related issues here which require further work. First, developing measurements of social capital which are relevant for employment support services, and second, evaluating 'what works' in strengthening social capital.

There is a strong evidence base that social capital is important in helping people find jobs, particularly 'bridging social capital' or 'weak ties' between people from different backgrounds. More broadly, Demos has argued that the state has an important role to play in strengthening social capital through public services and policy generally.

This will require more detailed work on measuring social capital. As described above, what matters for employment support services appears to be people's wider social connections or networks, especially bridging social capital: for example, connections between people in work and people out of work. The Universal Work Service may need to develop its own measurement of social capital for people using services, specifically designed to capture different kinds of social connection.

Allied to measuring social capital, there is also a need to develop evidence on 'what works' in strengthening social capital. In this report, we have discussed a number of different ways services can strengthen social capital, but currently there is limited evidence on which of these are the most effective, both for strengthening social capital and for improving employment outcomes.

SECTION 6

CONCLUSION

Looking ahead, the UK's economy faces a number of challenges. Our population is growing older, changing the demographics of the workforce. The transition to net zero will change patterns of demand in the economy, and will require many people to gain new skills. The rapid pace of technological development means that the nature of work is changing all the time, accelerated by increased digitalisation during the pandemic. By 2030, up to seven million workers are set to be underskilled for their jobs without training or learning new skills.¹⁶² The UK's economy also has high regional inequalities - partly driven by differences in employment and skills - which in turn have contributed to low productivity growth and low wage growth in the last decade. Some people are unable to find a suitable job, while others are stuck in jobs with low pay or precarious working arrangements.

At the same time, we are living in an age of exponential change as a society. A whole range of cultural, technological, economic and political trends are pulling us apart, reducing the social capital that we need to build a cohesive society in a socially diverse country in the 21st century. Work can have many negative aspects, but it has lots of positive effects too: in particular, it can bring diverse groups of people together, strengthen social connections, and build mutual trust.

At Demos, we have argued for a Gravitational State, which brings people together and strengthens trust in society. As part of that Gravitational State, the Universal Work Service sits at the intersection of these twin economic and social challenges. It can contribute to addressing the UK's economic challenges: helping businesses, improving people's skills, reducing inequalities, and supporting the transition to a low-carbon economy. It can also strengthen social capital by helping people move

into or stay in work, as well as through the way it operates as a public service.

The core argument of this report is that the state should play an active role in helping people find good work in the 21st century. This proposal for a Universal Work Service is the start of that conversation, and at Demos we look forward to developing these ideas further in the future.

¹⁶² Industrial Strategy Council. *UK Skills Mismatch in 2030*. October 2019, p. 24. Available at <https://industrialstrategyCouncil.org/sites/default/files/UK%20Skills%20Mismatch%202030%20-%20Research%20Paper.pdf> [accessed 20/04/2022]

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