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# Employment and Training Programmes for the Unemployed

This Research Paper provides a short account of the main Government-funded employment and training programmes. It also contains brief notes on earlier programmes in operation since 1945 and on recent policy developments. The Paper updates Research Note 90/25 (*Training, Enterprise and Employment schemes*) and Research Papers 93/40, 94/114, 95/51, 96/66 97/98, 98/111 and 00/81 (*Employment and Training Schemes for the Unemployed*). This paper covers material up to and including the Pre-Budget Report of November 2002.

Dominic Webb

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## Summary of main points

The purpose of this Research Paper is to provide a brief account of the many Government-funded training, employment and job search programmes which form part of the strategy to alleviate the problem of long-term unemployment. It is intended as a reference work rather than necessarily to be read from cover to cover.

The Government's employment strategy has three main elements:

- Welfare-to-Work policies which aim to prevent the unemployed becoming detached from the labour market and assisting the unemployed and inactive back to work;
- Targeted measures to help areas of the country and groups of people facing the most significant barriers to work; and
- Policies to strengthen work incentives.<sup>1</sup>

This paper broadly covers the first two of these elements. The third element, which includes changes to the tax and benefit system such as the various tax credits, is not covered by this paper.

The paper is organised as follows. Part I discusses recent developments such as the establishment of Jobcentre Plus. Part II summarises programmes which are currently available. This part covers the six New Deal programmes which are central to the Government's welfare-to-work strategy. Part III gives very brief details of employment and training programmes tried since the war. Part IV lists the major sources used in compiling the paper.

Readers may also be interested in the Library's Welfare-to-Work intranet pages<sup>2</sup> and the constituency profile section of the Intranet which includes data on the New Deal for Young People.<sup>3</sup>

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<sup>1</sup> HM Treasury, *Budget 2002*, April 2002, HC 592, p64.

<sup>2</sup> <http://hcl1.hclibrary.parliament.uk/welfare/start.htm>

<sup>3</sup> <http://hcl1.hclibrary.parliament.uk/sections/stats/asp/Profile/Profile.asp>

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# I Recent Developments

## 1. 2001 Employment Green Paper

In March 2001, the Government published its Employment Green Paper, *Towards full employment in a modern society*.<sup>4</sup> This set out a number of challenges facing the Government's employment policy including:

- Helping the economically inactive;
- Tackling pockets of high unemployment and low employment;
- Helping those with multiple barriers to work (homelessness, mental health problems, drug or alcohol misuse);
- Addressing the skills gap; and
- Closing the productivity gap.

The Green Paper outlined the steps the Government would take to respond to these challenges:

To reflect these new challenges, the Government's strategy for full employment over the next decade will:

- broaden the scope of welfare to work programmes to cover all people on benefits who are economically inactive as well as the long-term unemployed;
- extend the help offered to people living in areas of high unemployment and deprivation, and provide more intensive support for the hardest to help;
- put in place a modern Working Age Agency, which can deliver better and more integrated services, making use of new technology, and with much greater flexibility to target resources where they are most needed;
- focus increasingly on helping people to break out of the low-pay, no-pay cycle, by helping them not only get into work, but to stay in work and to gain the skills they need to progress in work. We will focus in particular on raising levels of basic skills, as well as skills in Information Communication Technology (ICT), to prevent bottlenecks in the labour market having an adverse impact on economic growth; and

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<sup>4</sup> DfEE, DSS and HM Treasury, *Towards full employment in a modern society*, March 2001, Cm 5084

- tailoring provision to the needs of particular industry sectors to ensure a better fit between the needs of employers and the skills and experience of people looking for work.<sup>5</sup>

The Work and Pensions Select Committee Report on the Government's Employment Strategy noted that the Green Paper marked a shift in emphasis away from Jobseeker's Allowance (JSA) claimants towards those on other benefits such as Income Support and Incapacity Benefit.<sup>6</sup> The Select Committee Report stated that of the five million working age adults claiming benefits, fewer than one million are claiming JSA. 2.7 million receive a sickness or disability benefit. Furthermore, a much higher percentage of lone parents and sick and disabled claimants have been receiving benefits for more than a year compared with JSA claimants.<sup>7</sup>

## 2. Jobcentre Plus

Jobcentre Plus is the name for the working age agency which brings together the functions of the Employment Service (which it replaced on 1 April 2002) and those of the Benefits Agency delivered to people of working age. Pathfinder offices were opened in Autumn 2001. More than 60 offices had opened by November 2002 and the Government's aim is to have more than 200 offices opened by April 2003.<sup>8</sup> Jobcentre Plus will be rolled out nationally by 2006.<sup>9</sup>

The role of Jobcentre Plus was described in a recent Treasury and Department for Work and Pensions (DWP) paper:

**4.38** On 22 October the Government launched Jobcentre Plus, a new business to deliver work-focused support for all those of working age on out of work benefits – both unemployed and economically inactive. Starting in 49 pathfinder offices across the country, Jobcentre Plus is at the centre of the Government's strategy for a work-first service for all people of working age. It marks a dramatic change in the way in which Government helps working age citizens, delivering an active service to help people become independent and move from welfare into work. All people, both unemployed and inactive, will on making a claim for benefit have a work-focused interview to discuss the opportunities available for taking up work.

**4.39** Jobcentre Plus brings together the Employment Service and the parts of the Benefits Agency dealing with working age people to deliver work for those who can and security for those who cannot. Building on the success of the New Deal and other policies to tackle unemployment and inactivity, Jobcentre Plus will

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<sup>5</sup> Ibid pp24-25

<sup>6</sup> Work and Pensions Select Committee, *The Government's Employment Strategy*, 31 July 2002, HC815 2001-02.

<sup>7</sup> Ibid

<sup>8</sup> HM Treasury, *Pre-Budget Report, 2002*, November 2002, Cm5664, p73.

<sup>9</sup> HM Treasury, *2002 Spending Review, New Public Spending Plans 2003 – 2006*, July 2002 Cm 5570

provide a work-focused service with rights and responsibilities balanced at every stage, ending the old system where inactive benefit recipients were written off to a life on benefits with little, if any, help.

**4.40** By working closely with employers, Jobcentre Plus aims to help unemployed people and inactive welfare recipients by making available to them job vacancies, information, advice, training and support, and encouraging employers to open up more opportunities to them. The 'employment first' focus of Jobcentre Plus ensures that it offers high quality and demand-led services appropriate to the needs of employers. The employers in turn are helped to fill job vacancies quickly and effectively with well-prepared and motivated employees.

**4.41** An important aim of Jobcentre Plus is to ensure that people on working age benefits fulfil their responsibilities, whilst the position of those in greatest need is protected. At the same time, the most disadvantaged groups receive high quality help and support specific to their needs. Programmes such as the New Deal for Young People and Employment Zones help such groups to move closer to the labour market, compete for, and retain jobs.<sup>10</sup>

Alistair Darling set out the measures against which Jobcentre Plus would be assessed in a written answer:

Jobcentre Plus performance will be measured against the following targets:

**Job outcomes:** To achieve a total points score of 6,656,000, based on job entry outcomes Jobcentre Plus achieves.

**Business delivery:** To ensure that specified key Jobcentre Plus business processes are delivered efficiently, accurately and to specified standards in 93.4 per cent. of cases checked (with a Jobcentre Plus management objective that no district will fall below 85 per cent. by the end of the year).

**Fraud and error:** By March 2003 to reduce losses from fraud and error in working age income support and jobseeker's allowance to no more than 7 per cent. of the monetary value of these benefits paid during the year.

**Employer outcomes:** At least 85 per cent. of employers placing their vacancies with Jobcentre Plus will have a positive outcome.

**Customer service:** To achieve a 79 per cent. customer service level in the delivery of the standards set out in the customers and employers charters (with a Jobcentre Plus management objective that individual regions will achieve specified levels by the end of the year).<sup>11</sup>

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<sup>10</sup> HM Treasury and DWP, *The changing welfare state: employment opportunity for all*, November 2001.

<sup>11</sup> HC Deb 19 March 2002 c243W

### 3. Learning and Skills Council

On 30 June 1999, the Government published its White Paper, *Learning to succeed – a new framework for post-16 learning*.<sup>12</sup> This proposed a new framework for the planning and delivery of post-16 training and education through new local Learning and Skills Councils, under a national Learning and Skills Council. The *Learning and Skills Bill [HL] 1999-2000* received its second reading in the House of Commons on 30 March 2000 and the Bill received Royal Assent on 28 July 2000.<sup>13</sup> Among other things, the Act provides for the new framework of local and national Learning and Skills Councils. TEC licences will finish in April 2001 and the majority of their current responsibilities for post-16 training will pass to the Learning and Skills Councils (LSCs). The LSC will also take over the current responsibilities of the Further Education Funding Council. The LSC became operational in April 2001.

The new LSC will be responsible for the learning provided to more than five million students over the age of 16 at a cost of about £5 billion per year.<sup>14</sup> A network of local LSCs will operate and act as “the arms of the national Council”.<sup>15</sup> The Government aims to reduce bureaucracy and duplication with its new proposals to generate an extra £50 million per year to fund the needs of learners.<sup>16</sup>

### 4. Funding Welfare-to-Work

Welfare-to-work was initially financed by the windfall tax on the privatised utilities which raised £5.2 billion. While the windfall tax has not yet been exhausted, it has since been supplemented by additional resources. Most of the Welfare-to-work programmes are now delivered through the DWP. Details of the funding were provided in the following written answer:

**Mr. Heald:** To ask the Secretary of State for Work and Pensions what the total expenditure has been to date on (a) New Deal for Young People, (b) New Deal 50 plus and (c) New Deal 25 plus.

**Mr. Willetts:** To ask the Secretary of State for Work and Pensions what the gross annual cost is of each of the New Deal programmes since they were first established; how much of this cost has been met by the proceeds of the windfall tax; and what projections have been made for future years.

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<sup>12</sup> DfEE, *Learning to succeed – a new framework for post-16 learning*, Cm 4392, June 1999

<sup>13</sup> HC Deb 30 March 2000 cc 513-598 - Library Research Paper 00/39 discusses in more detail the provisions of the Bill as it was presented for Second Reading in the House of Commons.

<sup>14</sup> HC Deb 30 June 1999 c 346

<sup>15</sup> DfEE, June 1999, p 27

<sup>16</sup> HC Deb 30 June 1999 c 346

**Mr. Nicholas Brown** [*holding answer 26 November 2002*]: The information requested is in the table.<sup>17</sup>

### Expenditure on the New Deals (a)

|                 | 1997-98 | 1998-99 | 1999-2000 | 2000-01 | 2001-02 | 1997-2002<br>Total | Of which<br>Windfall<br>Tax | Planned<br>Spend<br>2002-03 |
|-----------------|---------|---------|-----------|---------|---------|--------------------|-----------------------------|-----------------------------|
|                 | (b)     |         |           |         |         | (c)                |                             |                             |
| Young People    | 50      | 268     | 378       | 368     | 285     | 1,347              | 1,080                       | 354                         |
| 25 plus         | 0       | 24      | 108       | 128     | 226     | 486                | 420                         | 303                         |
| 50 plus (d)     | 0       | 0       | 5         | 20      | 15      | 40                 | 40                          | 16                          |
| Lone Parents    | 0       | 21      | 41        | 41      | 36      | 139                | 135                         | 142                         |
| Disabled People | 0       | 5       | 20        | 10      | 10      | 45                 | 45                          | 58                          |
| Partners        | 0       | 0       | 5         | 10      | 10      | 25                 | 25                          | 26                          |

Notes: (a) *Estimated*

(b) *Includes expenditure in Northern Ireland*

(c) *2002-03 figures reflect planned gross expenditure, including Windfall Tax. Future New Deal allocations are currently being revised to reflect the outcome of the Spending Review 2002.*

(d) *New Deal 50 plus expenditure does not include employment credits, which are met from Annually Managed Expenditure.*

## 5. 2002 Spending Review

One of DWP's objectives, as set out in the 2002 Spending Review is to:

promote work as the best form of welfare for people of working age while protecting the position of those in greatest need.<sup>18</sup>

Several of the DWP's performance targets relate to employment and/or unemployment:

Demonstrate progress by Spring 2006 on increasing the employment rate and reducing the unemployment rate over the economic cycle. JOINT TARGET WITH HM TREASURY

Over the three years to Spring 2006, increase the employment rate of disadvantaged areas and groups, taking account of the economic cycle – lone parents, ethnic minorities, people aged 50 and over, those with the lowest qualifications, and the 30 local authority districts with the poorest initial labour market position, and significantly reduce the difference between their employment rates and the overall rate.

Reduce the proportion of children in households with no one in work over the 3 years from Spring 2003 to Spring 2006 by 6 ½ per cent.<sup>19</sup>

<sup>17</sup> HC Deb 9 December 2002 c140W

<sup>18</sup> HM Treasury, *2002 Spending Review, Public Service Agreements 2003 – 2006*, July 2002 Cm 5570

<sup>19</sup> Ibid

## II Current Programmes

### A. Work Based Learning for Adults

Work Based Learning for Adults (WBLA) is designed to help the long-term unemployed back into work. The programme was known as Training for Work until April 1998 and Work Based Training for Adults from 1998-99. It is known as Training for Work in Scotland. A revamped scheme was introduced in 2001.

**Eligibility:** WBLA is aimed primarily at people aged 25 or over who have been unemployed for six months or more and are claiming Jobseeker's Allowance or another qualifying benefit (Income Support, Incapacity Benefit, Maternity Benefit, Severe Disablement Allowance, National Insurance credits only). Certain groups can gain early entry. These are people with disabilities; those who need basic skills training or help with spoken English; labour market returners; lone parents; victims of large scale redundancies; those who have been in the armed forces and have either begun resettlement leave, terminal leave or have been continuously unemployed since discharge.

**Details:** Responsibility for delivery of WBLA was transferred from Training and Enterprise Councils (TECs) to Jobcentre Plus in April 2001.

The key objectives of the programme are:

- To help adults without work and with poor employability skills move into sustained employment;
- to help long-term unemployed people to gain the occupational skills needed to fill local skill shortage vacancies;
- to enable long-term unemployed people to make a success of self-employment;
- basic employability training for jobless people with severe literacy and numeracy problems to remove their barriers to employment and enable them to gain employment.<sup>20</sup>

There are four elements to WBLA:

- Short job-focused training
- Longer occupational training

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<sup>20</sup> DWP Press Release, *Jobcentre Plus Delivered Government Supported Work-Based Learning for Adults*, 29 August 2002.

- Basic employability training
- Self-employment support.

Details of the provision available are given in a DWP Press Release:

support for training through WBLA increases with length of unemployment. People unemployed for 6-12 months are allowed up to 6 weeks training. This includes short courses like fork lift truck driver, intruder alarm installation, IT skills updates, call centre training and the 4 week basic skills course. From 12 months until entry into New Deal at 18 months, people can access up to 12 months training. This is usually a package of training aimed at helping individuals overcome whatever barriers they face to getting jobs. Packages can include basic skills training, work placements, work trials, motivational training and occupational training leading to vocational qualifications. WBLA is also a vehicle for tackling the basic skills and other barriers to employment faced by people with the most severe basic skills problems (i.e. those with a reading/numeracy assessment under the level of an average 7 year old). Provision up to 6 months in duration is available for this client group - but the key aim of the provision remains to move people into work. WBLA also offers support for self-employment similar to that offered in New Deal 25 plus. People who do not find work before the end of their WBLA course are offered Programme Centre provision to help with job search.<sup>21</sup>

**Costs and Numbers:** Statistics on WBLA are published quarterly by the DWP. In the first few months of the Employment Service taking over responsibility for WBLA, the number of starts fell significantly. An article in *Working Brief* attributed this to a shift in emphasis towards those unemployed for 18 months or more and possibly a reluctance on the part of the Employment Service to refer clients to the programme.<sup>22</sup>

The statistics given below are for England only. The key findings from the most recently released figures are as follows:

- In the six months to September 2002, there were 35,700 starts to WBLA. This was two thirds of the level for the equivalent period ending September 2000 but 99 per cent of planned levels. The lower volume compared to TEC delivered provision mainly reflects the different target group that WBLA is now aimed at and changes in the eligibility criteria.;
- 20% of starts were to Basic Employability Training, 20% were to Self Employment, 30% were to Longer Occupational Training and 28% were to Short Job Focused Training;

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<sup>21</sup> Ibid.

<sup>22</sup> "Starts on Work-based Learning for Adults plummet" *Working Brief* October 2001.

- Information on the outcomes of leavers from the programme is not currently available.<sup>23</sup>

The Employment Service Annual Report and Accounts shows a figure of £168 million for the net programme cost of WBLA for 2001-02.<sup>24</sup>

**Evaluation:** Qualitative research into the performance of WBLA since April 2001 was commissioned by the DWP.<sup>25</sup> According to this research, both learning providers and Employment Service staff thought first few months after the hand-over of responsibility for the programme from the Department for Education and Employment (DfEE) and TECs to Jobcentre Plus had been difficult. By 2002, however, these problems had either been resolved or were being addressed. Providers are in favour of dealing directly with Jobcentre Plus but view the programme as being less flexible than before April 2001. The report concluded:

In terms of the overall effectiveness of WBLA, staff feel that the programme can provide useful skills to individuals that are interested/willing to take part, and is helping a reasonable proportion into work. However, the fact that they cannot make participation compulsory does limit its scope to help a large proportion of the clients that they see.<sup>26</sup>

### Further reading

- 1 Mark Winterbotham et al, *Evaluation of the Work Based Learning for Adults Programme since April 2001 Qualitative Interviews with ES staff, Providers and Employers*, DWP Report WAE 128, July 2002
- 2 Ecotec Research and Consulting/BRMB, *Evaluation of Work Based Learning for Adults Qualitative Research with non-JSA clients*, DWP Report WAE 131 August 2002.
- 3 “Starts on Work-based Learning for Adults plummet”, *Working Brief*, October 2001.

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<sup>23</sup> DWP Press Release, *Jobcentre Plus delivered Government supported work-based learning for adults*, 28 November 2002.

<sup>24</sup> Employment Service, *Annual Report and Accounts, 2001-2002*, HC 955, p101.

<sup>25</sup> Mark Winterbotham et al, *Evaluation of the Work Based Learning for Adults Programme since April 2001 Qualitative Interviews with ES staff, Providers and Employers*, DWP Report WAE 128, July 2002.

<sup>26</sup> Ibid p iv.

## B. Work Based Learning for Young People

Work-Based Learning for Young People (WBLYP) is made up of Advanced Modern Apprenticeships (AMA), Foundation Modern Apprenticeships (FMA), Other Training and Life Skills.<sup>27</sup>

**Administration:** The Learning and Skills Council (LSC) took over responsibility for WBLYP in England from TECs on 26 March 2001. Similar training is provided in Scotland through the Local Enterprise Companies via programmes such as Skillseekers.<sup>28</sup> There is a separate Scottish Modern Apprenticeship scheme.<sup>29</sup> Modern Apprenticeships in Wales are the responsibility of Education and Learning Wales (ELWa) and in Northern Ireland of the Department for Employment and Learning. The remainder of this section describes WBLYP in England.

**Modern Apprenticeships:** Modern Apprenticeships aim to improve the supply of craft, supervisory and technical skills within industry. They combine education and work-based training and cover over 80 industries.

In July 2000, the Government published a consultation document on Modern Apprenticeships.<sup>30</sup> This included proposals aimed at addressing the recommendations contained in the second report of the National Skills Task Force. The Government published the consultation response in March 2001. The accompanying Press Release said:

Last summer the DfEE ran a consultation exercise on reforming and improving Modern Apprenticeships. Today we are giving our formal response. The consultation demonstrated widespread support amongst key partners for our reforms and we remain committed to a high-quality work-led route for young people. The MA reforms include a technical certificate covering underpinning knowledge in each Apprenticeship, providing an entitlement to an Apprenticeship and introducing an overarching Apprenticeship Diploma.<sup>31</sup>

David Blunkett, then Secretary of State for Education and Employment, established the Modern Apprenticeship Advisory Committee in March 2001. Its task was to advise the Secretary of State and the LSC on an action plan for the development, promotion and delivery of Modern Apprenticeships. The chairman of the committee was Sir John

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<sup>27</sup> Advanced Modern Apprenticeships, Foundation Modern Apprenticeships and Other Training are discussed below. Life Skills are not discussed. In March 2002, there were 8,700 young people engaged in Life Skills out of a total of 279,100 on all forms of WBLYP (Source: DfES Statistical First Release, *Government-Supported, Work Based Learning for Young People in England 2001-02*, 20 June 2002.)

<sup>28</sup> <http://www.scottish-enterprise.com/businessdev/skills/recruit/skillseekers/skillseekersfaq/>

<sup>29</sup> <http://www.scottish-enterprise.com/businessdev/skills/recruit/apprenticeships/>

<sup>30</sup> DfEE, *Modern Apprenticeships Consultation Document*, July 2000.

<sup>31</sup> DfEE Press Release, *Tessa Blackstone announces extra £180 million for thousands more Modern Apprenticeships*, 27 March 2001

Cassells. The Committee's report, *Modern Apprenticeships – the Way to Work*, was submitted to the DfES and the LSC on 28 September 2001. The report is available on the DfES website.<sup>32</sup> It contained a large number of recommendations covering a national framework for apprenticeships, content and certification, delivery and promotion of apprenticeships. In November 2001, the Government announced that it would deliver key recommendations made by the committee including:

- a national framework for apprenticeship which defines basic standards and strengthens the relationship between the employer and apprentice;
- an entitlement to a Modern Apprenticeship place for all 16 and 17 year olds with five or more GCSE passes at grades A\* to G, from September 2004;
- a £16 million marketing campaign, over three years, which will begin early in 2002 to promote apprenticeships and boost take-up among employers and young people;
- new technical certificates for Modern Apprenticeships which ensure in-depth technical knowledge is a key component of the Apprenticeship Diploma; and
- a new leaflet calling on public sector organisations to embrace the next generation of apprenticeships.<sup>33</sup>

The 2002 Pre-Budget Report announced the launch of a National Modern Apprenticeships Taskforce:

**3.84** To widen the vocational choices available to young people, and increase participation in work-based learning, the Government has reformed, strengthened and expanded the Modern Apprenticeships (MA) scheme by establishing:

- a target for 2004 that 28 per cent of young people should enter an apprenticeship by the age of 22;
- an entitlement, from 2004, to an apprenticeship place for all 16 and 17 year-olds with five or more GCSEs at A\*-G, including maths and English;

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<sup>32</sup> [http://www.dfes.gov.uk/ma.consultation/docs/MA\\_The\\_Way\\_to\\_Work.pdf](http://www.dfes.gov.uk/ma.consultation/docs/MA_The_Way_to_Work.pdf)

<sup>33</sup> DfES Press Release, *Morris, Brown and Hewitt announce new plans for Modern Apprenticeships*, 29 November 2001.

- a national framework to ensure world class standards, with a network of high quality Apprenticeship Agents to help more employers, including SMEs, deliver apprenticeships; and
- a major three-year marketing campaign to promote apprenticeships to young people and increase take-up.

**3.85** While recent measures have done much to improve the MA system, and reforms in secondary and further education are raising standards and participation in work-focused learning, more work is needed to ensure that standards are consistently high, that more young people are able to participate and complete their courses, and that more employers become involved in training young people.

**3.86** Employer involvement in MAs is critical to ensuring that the new post-16 participation target is met, and that MAs continue to meet the needs of UK firms while providing young people with high quality training opportunities in a work environment. **The Government is therefore launching a National Modern Apprenticeship Taskforce to champion the MA scheme and report on key policy issues.** The taskforce will be led by Sir Roy Gardner, CEO of Centrica, and will include individuals from across business and the education and training sector. It will report to the Chancellor, the Secretary of State for Education and Skills and to the Chairman of the Learning and Skills Council (LSC) on a range of important policy issues, building on the work of Sir John Cassels and his committee. These issues will include the involvement of SMEs in MAs, the MA framework, particular problems faced by some sectors in recruiting and training young people, and measures to support improved completion rates. The taskforce will be supported by its own secretariat.<sup>34</sup>

## 1. Advanced Modern Apprenticeships

AMAs are designed to qualify young people to NVQ level 3 and are aimed primarily at developing technician, supervisory and craft level skills among 16 to 24 year olds.

**Announced:** David Hunt, then Secretary of State for Employment, announced the creation of Modern Apprenticeships in a statement released at the time of the November 1993 Budget.<sup>35</sup> David Blunkett, then Secretary of State for Education and Employment, announced the reform of the Apprenticeship framework and the new Foundation and Advanced Modern Apprenticeships, in a statement on 16 February 2000.<sup>36</sup>

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<sup>34</sup> HM Treasury, *Pre-Budget Report 2002*, November 2002, Cm5664, pp54-5.

<sup>35</sup> Department of Employment Press Release, *David Hunt announces new modern apprenticeship scheme to boost Britain's Skills*, 30 November 1993

<sup>36</sup> DfEE Press Release, *Blunkett announces major expansion and reform of vocational learning*, 16 February 2000

**Started:** Prototypes started running in 40 TEC areas in the following sectors from September 1994: agriculture, business administration, chemicals, child care, electrical installation, engineering manufacturing, engineering construction, information technology, marine engineering, Merchant Navy, polymers, retail, steel and travel service.<sup>37</sup> The scheme has been available nationwide since September 1995, and AMAs are now available in 82 sectors.<sup>38</sup>

**Eligibility:** People aged 16 to 24 are eligible to join a Modern Apprenticeship but the MA must be completed before their 25<sup>th</sup> birthday. There are no set entry requirements but the apprentice must not be in full-time education.

**Details:** There is no pre-determined time to complete an AMA but they usually take at least two years to complete. An AMA leads to an NVQ level 3 qualification and also a technical certificate. Technical certificates demonstrate specific knowledge relevant to the occupation. They can be delivered through taught off-the job training. The certificates may be an existing qualification (such as BTEC) or a newly developed qualification. Key skills are also part of a Modern Apprenticeship. There are six key skills:

- Communication
- Application of number
- Information technology
- Improving own learning and performance
- Working with others
- Problem solving

Those participating in the Modern Apprentice scheme are either paid a wage or receive a minimum allowance of £40 a week.

## 2. Foundation Modern Apprenticeships

Originally introduced under the previous Government as National Traineeships, FMAs were designed to replace Youth Training as the main work-based route to further qualifications at NVQ level 2. They are designed by employers in the relevant industry sectors and are intended to provide a stepping stone to AMAs. They were known as National Traineeships until February 2000.

**Announced:** As National Traineeships on 27 March 1996, by Gillian Shephard, then Secretary of State for Education and Employment, in her response to Sir Ron Dearing's

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<sup>37</sup> Department of Employment Press Release, *Modern Apprenticeships - It's full speed ahead, says David Hunt*, 27 April 1994, Department of Employment Press Release, *Modern Apprenticeships will be a success story with your help, Ann Widdecombe tells CBI*, 9 May 1994

<sup>38</sup> <http://www.dfes.gov.uk/modapp/maframe.htm>

*Review of Qualifications for 16-19 Year Olds.*<sup>39</sup> David Blunkett, then Secretary of State for Education and Employment, announced the reform of the Apprenticeship framework, including the renaming of National Traineeships as Foundation Modern Apprenticeships on 16 February 2000.

**Started:** The first National Traineeship frameworks were introduced from September 1997.

**Eligibility:** People aged 16 to 24 are eligible to join a Modern Apprenticeship but the MA must be completed before their 25<sup>th</sup> birthday. There are no set entry requirements but the apprentice must not be in full-time education.

**Details:** There is no pre-determined time to complete a Foundation Modern Apprenticeship but they usually take at least twelve months to complete. A FMA leads to an NVQ level 2 qualification and a technical certificate. Key skills are also part of the FMA. Those participating in the Modern Apprentice scheme are either paid a wage or receive a minimum allowance of £40 a week.

### 3. Other Training

Other Training was a third strand of WBLYP. It was known as Youth Training until April 1998. Other Training was aimed at two groups: those requiring preparatory training to prepare them for starting in the labour market or on an apprenticeship and those who were capable of an apprenticeship but for whom one was not available or who had not been guided towards one.<sup>40</sup>

In January 2001, David Blunkett, then Secretary of State for Education and Employment, announced the phasing out of Other Training. From September 2002, there will be no more starts to Other Training.<sup>41</sup> The Modern Apprenticeship Advisory Committee was asked to report on arrangements for phasing out Other Training.

The Committee recommended that there should be pre-employment provision for those not ready for apprenticeship or other employment. Such provision might be called “Entry to Employment” (E2E). It would not be required to follow set qualifications but would provide a range of occupational and social skills including basic skills. For those young people assessed as not capable of proceeding to an apprenticeship, the E2E provider should put together a programme aimed at resulting in employment. To address the problem of those in employment whose employer is reluctant to let them undertake an apprenticeship, the Committee also recommended that the LSC should provide a way of

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<sup>39</sup> HC Deb 27 March 1996 c1032

<sup>40</sup> DfES and LSC, *Modern Apprenticeships- the way to work, The report of the Modern Apprenticeship Advisory Committee*, September 2001 p27

<sup>41</sup> “Education into Employability: the role of the DfEE in the economy” Speech by David Blunkett to the Institute of Economic Affairs, 24 January 2001.

meeting the assessment (but not training) costs of NVQs at level 2 or above of young employees.<sup>42</sup> The LSC announced ten E2E pathfinder areas in July 2002. They are: Bedfordshire and Luton; Bristol; Central Birmingham and North Solihull; Derbyshire; Greater Manchester (Rochdale); Oxfordshire; North Yorkshire; Nottinghamshire; Portsmouth and the South East Hampshire area; and Tyne and Wear (Newcastle and Gateshead).<sup>43</sup> The LSC Press Release announcing these areas said:

The pathfinders will be rolled out next month and will pave the way to a national framework of E2E programmes from August 2003. Designed to offer support to young people not yet ready to enter a Modern Apprenticeship (MA) or employment, the pathfinders will initially target young people disengaged from or at risk of dropping out of education and training.<sup>44</sup>

**Cost and Numbers:** A Statistical First Release is published by the Department for Education and Skills (DfES). The most recent was published on 24 October 2002 and is available on the DfES website.<sup>45</sup> This showed that there were around 52,700 starts on AMA in 2001/02, down from 72,400 in the year before. The number of starts on FMAs increased, however, from 104,100 in 2000/01 to 106,600 in 2001/02. The LSC is committed to reporting on WBLYP qualification rates and aims to publish data in Spring 2003.

Funding for Modern Apprenticeships was described in the following written answer:

**John Mann:** To ask the Secretary of State for Education and Skills what steps she is taking to ensure that the Learning and Skills Council has adequate funds to widen successful participation in work-based learning.

**Margaret Hodge:** The LSC's budget for 2002–03 is £7.3 billion, a 5.9 per cent. real terms increase on the previous year. This will enable the LSC to make progress towards its key targets. These include increasing the participation and achievement of young people in learning (including work based learning) and increasing the demand for learning by adults and employers. We have also increased the flexibility available to the LSC to meet its priorities by simplifying the budget structure and removing unnecessary restrictions on how the grant is spent. We have worked with the LSC to agree clear outcomes which include promoting equality by highlighting outcomes for under-represented groups in work-based learning.

The Government have contributed substantial financial support for Modern Apprenticeships (MAs). Between 1997 and 2002 over £3.7 billion has been

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<sup>42</sup> DfES and LSC, *Modern Apprenticeships- the way to work, The report of the Modern Apprenticeship Advisory Committee*, September 2001 p28-9

<sup>43</sup> LSC Press Release, *Ten pathfinders to support entry into employment*, 12 July 2002.

<sup>44</sup> Ibid

<sup>45</sup> <http://www.dfes.gov.uk/statistics/DB/SFR/s0358/sfr27-2002.pdf>

allocated to Government-supported work-based learning, of which it is estimated that in excess of £1 billion has been used to support MAs. As a result of this investment, the number of young people on MAs has risen from 75,000 in 1997 to over 220,000 today. We are investing an additional £180 million over three years 2001–04 to support and further develop MAs, a clear sign of the importance we attach to their role in raising skills levels in the workplace, and in offering young people high quality vocational and work-related options for post-16 learning. The Government and the LSC recently agreed a target of over a quarter of young people between the age of 16 and 21 entering MAs by 2004 and the LSC will have sufficient funds to meet this target.<sup>46</sup>

**Evaluation:** The Learning and Skills Development Agency (LSDA) has investigated the deterioration of grades awarded to providers of work-based learning by the Adult Learning Inspectorate.<sup>47</sup> The report noted that ALI inspections were bringing to light problems in the provision of work-based learning. These shortcomings were partly attributed to transitional factors such as changes in inspection arrangements. More fundamental issues including the broader range of competencies required by Modern Apprenticeships and placing learners on inappropriate courses were also found to be problems. The report's recommendations included considering the range of programmes available and increase in the capacity of work-based providers along with consideration of the roles of LSC and ALI staff in assisting learning providers.

Responding to the report, Lifelong Learning and Higher Education Minister Margaret Hodge said:

Earlier this year I started a debate on how to tackle uneven quality in further education and training. This report has revealed that despite recent progress in the work-based learning route for young people there is still more to be done.

“As we made clear in our 14-19 proposals, it is vital that young people have the choice of a high quality vocational route. We have put together a robust action plan, designed to transform the quality of this learning route and are asking the Learning and Skills Council (LSC) and the ALI to intensify their support for providers of work-based learning. Young people must be given the high quality learning experience that they deserve.”<sup>48</sup>

The DfES, in partnership with the LSC, ALI and LSDA, developed an action plan in response to the report:

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<sup>46</sup> HC Deb 7 May 2002 c86W

<sup>47</sup> Maria Hughes, *Making the grade: A report on standards in work-based learning for young people*, Learning and Skills Development Agency, 2002

<sup>48</sup> DfES Press Release, *Work-based learning for young people must improve: Hodge*, 11 June 2002.

The plan will:

- enable the LSC to re-deploy £25m into a work based learning fund to implement Modern Apprenticeship reform and so improve retention and achievement rates;
- improve information and guidance on apprenticeship frameworks and progressions routes;
- establish Apprenticeship Agents to help employers deliver apprenticeship programmes;
- support providers so they have every opportunity to improve before re-inspection and terminate the contracts of those which cannot recover, while protecting the learners who are only part way through their programmes; and
- improve provider understanding of quality improvement processes including self-assessment and inspection.<sup>49</sup>

Concerns about WBLYP was also expressed in the ALI's Annual Report for 2001-02. An accompanying Press Release said:

During 2001-02, 45 hospitality, sports, leisure and travel providers were inspected. Inspections covered food and beverage production and service, hotel reception and housekeeping, leisure, sports and travel services, fitness training and outdoor activities. Only 55 per cent of the provision inspected was satisfactory or good.

Failure to complete the mandatory key skills element of the modern apprenticeship framework was one of the major reasons for the low achievement rates. Almost half the providers inspected neglected to teach key skills as an integral part of vocational training. Key skills were seldom taught from the outset of programmes and some learners made slow progress in acquiring them.

Initial assessment of trainees was often poor and inspectors found that some trainees were on programmes which they had already completed and were working towards qualifications they already possessed. Links between on- and off-the-job training were weak. Often the training employers provided did not relate to the NVQ the learner was aiming to achieve.

The vocational skills of trainees were good however, and met the standards required by industry. The standards of practical work in hospitality were particularly high. Off-the-job training was effective. Most learners also received good training in the workplace from supportive employers.

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<sup>49</sup> Ibid

Looking to the national picture, Chief Inspector David Sherlock said that while his inspectors found some examples of excellence, too few young people are receiving the quality of training which will prepare them for employment or address the country's skills shortages. Sixty per cent of work-based learning provision was found to be inadequate. On average, only a third of young people embarking on a modern apprenticeship achieved their qualification.

Speaking at the launch of the report, David Sherlock, said

“For many providers, this was a desperately tough year. They have struggled to cope with changes in the modern apprenticeship framework and in funding arrangements with the resources at their disposal. There are grounds for optimism, however, not least because the weaknesses I've identified are now being confronted. The DfES, LSC and ALI are working together to find remedies and provide support.”

Clear identification of strengths and weaknesses does lead to improvement - more than 70 per cent of providers with unsatisfactory areas of work were at least satisfactory within a year.<sup>50</sup>

### Further reading

1. DfEE, *Modern Apprenticeships Consultation Document*, July 2000
2. DfEE, *Modern Apprenticeships Consultation Response*, March 2001
3. *Modern Apprenticeships: The Way to Work*, Report of the Modern Apprenticeships Advisory Committee, September 2001.
4. Maria Hughes, *Making the grade: A report on standards in work-based learning for young people*, Learning and Skills Development Agency, 2002

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<sup>50</sup> ALI Press Release, *Few trainees achieve their qualification say inspectors*, 1 August 2002.

## C. Career Development Loans

These are deferred repayment bank loans which are available in certain circumstances to people who want to take up job-related training and finance it themselves.

**Announced:** National extension announced 20 July 1988 by then Secretary of State for Employment, Norman Fowler:

### Career Development Loans

**Mr. Bowis:** To ask the Secretary of State for Employment whether he intends to make career development loans available nationally; and if he will make a statement.

**Mr. Fowler:** From today career development loans are available throughout Great Britain. We have piloted career development loans from April 1986 in four areas. Evaluation has shown that they are a very useful addition to the training infrastructure of the country. During the pilot a total of almost £1.4 million pounds has been lent to more than 650 people to undertake a wide range of vocational training. Career development loans will continue to be run in partnership with the three banks which participated in the pilot, Barclays, the Clydesdale and the Co-operative. Anyone aged 18 or over who lives or intends to train in Great Britain will be able to apply. The Government provide an incentive to borrowers by paying the interest on the loan during the period of training and for up to three months afterwards and guarantee a proportion of the loans to make it easier for the banks to consider lending for vocational training. The costs of the expanded scheme will be met from within the existing resources of the Department.<sup>51</sup>

**Started:** On a pilot basis in April 1986. Nationally in July 1988.

**Eligibility:** Applicants must be aged 18 or over; not in receipt of a mandatory award for education or training; and intending to use the training to work in the United Kingdom or elsewhere in the European Community. Applicants must live in the UK or intend to learn in Great Britain. Residents of Northern Ireland may apply if their learning will occur in Great Britain. The course must be vocational and designed to help the applicant to get a job.

**Terms:** The basic terms for a Career Development Loan (CDL) are included in the application pack which is available on the Internet.<sup>52</sup> Applicants must apply to a participating bank - Barclays, the Co-operative, or the Royal Bank of Scotland - before the start of the course. There is a minimum loan of £300 and a maximum of £8,000. The banks have the right to refuse a loan application. Loans generally cover up to 80% of course fees,

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<sup>51</sup> HC Deb 20 July 1988 c620W

<sup>52</sup> <http://www.lifelonglearning.co.uk/cdl/>

plus the cost of books and materials for courses lasting up to two years. Since 1 September 1996, CDLs have also been available for three year sandwich courses involving two years' tuition and one year's practical work experience.<sup>53</sup> Where applicants have been out of work for at least three months before applying, and the local Information, Advice and Guidance (IAG) provider (England), ELWa (Wales) or LEC (Scotland) has endorsed their application, the loans may cover 100% of course fees.

Applicants may also be able to borrow money to help with living expenses if the costs are not already covered by other grants or state benefits and the training provider has indicated that the course is full time. In addition, applicants must not undertake part-time work involving more than 30 hours per week.

No loan repayments are required during the training period and for up to one month afterwards. After that, the loan is repaid on the terms agreed with the bank. Certain groups may be able to defer the start of their loan repayments:

- Those who are unemployed and claiming related benefits;
- Those who are employed and receiving Income Support, Working Families' Tax Credit, Housing Benefit, Council Tax Benefit or Disabled Person's Tax Credit;
- Those who are taking part in a Government Training Programme and in receipt of Training Allowance;
- Those who have to attend a course for longer than expected (due to ill health or other special circumstances).

Any postponement must be agreed with the bank..

**Statistics:** Since 1988, over 166,000 loans have been made. In the year ending 31st March 2002:

- 16,281 loans were taken out;
- £65.95 million was borrowed;
- 49% of courses funded were full-time;
- 22% of courses funded were distance learning;
- 29% of courses were part-time.<sup>54</sup>

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<sup>53</sup> DfEE Press Release, *Career Development Loans reach out to more students*, 28 June 1996

<sup>54</sup> <http://www.lifelonglearning.co.uk/cdl/news.htm>

## D. New Deal for Young People

The New Deal for Young People (NDYP) is the leading element of the Government's "Welfare to Work" programme. After an intensive period of careers advice and help with job search techniques, the New Deal for Young People offers all young people aged 18-24, who have been unemployed for six months or more, four options: a subsidised job; a place on the Environment Task Force; a place with a voluntary sector employer; or full-time education or training. Those who refuse to take any of these options may face benefit sanctions.

**Announced:** The programme was foreshadowed in Labour Party policy documents before the 1997 General Election. One of the "five election pledges" highlighted in Labour's election manifesto was to "get 250,000 under-25 year-olds off benefit and into work by using money from a windfall levy on the privatised utilities".<sup>55</sup> The formal announcement came in Gordon Brown's first Budget on 2 July 1997:

In the new economy, in which capital, inventions and even raw materials are mobile, Britain has only one truly national resource: the talent and potential of its people. Yet in Britain today, one in five of working-age households have no one earning a wage. In place of welfare, there should be work. So today this Budget is taking the first steps to create the new welfare state for the 21st century.

The welfare state was and remains a great British achievement. It was set up to provide security for all, and opportunity for all, goals that are as relevant today as in 1945. But for millions out of work or suffering poverty in work, the welfare state today denies rather than provides opportunity. So it is time for the welfare state to put opportunity back into people's hands.

First, everyone in need of work should have the opportunity to work. Secondly, we must ensure that work pays. Thirdly, everyone who seeks to advance through employment and education must be given the means to advance. So we will create a new ladder of opportunity that will allow the many, by their own efforts, to benefit from opportunities once open only to a few.

Starting from next year, every young person aged 18 to 25 who is unemployed for more than six months will be offered a first step on the employment ladder. Tomorrow, my right hon. Friend the Secretary of State for Education and Employment will detail the four options, all involving training leading to qualifications - a job with an employer; work with a voluntary organisation; work on the environmental task force; and, for those without basic qualifications, the chance of full-time education or training.

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<sup>55</sup> *New Labour: because Britain deserves better*, Labour Party manifesto for the 1997 General Election, p 19

With those new opportunities for young people come new responsibilities. There will be no fifth option--to stay at home on full benefit. So when they sign on for benefit, they will be signing up for work. Benefits will be cut if young people refuse to take up the opportunities. This new deal for the young is comprehensive, rich in opportunity, linked to the development of skills and has already attracted the support of some of Britain's leading companies.

I urge every business to play its part in this national crusade to equip this country for the future by taking on young unemployed men and women. I appeal to every voluntary organisation to make a further contribution to the work that they do in the community by taking on a young person. I will make it possible for every Member of the House to act as an ambassador for this venture, encouraging young people in their constituencies, consulting local businesses and bringing them together to play their part in this new deal for young people.<sup>56</sup>

**Started:** In 12 "pathfinder areas" on 5 January 1998 and nationally since 6 April 1998. The pathfinder areas were Black Country; Cornwall; Cumbria; Eastbourne; Lambeth; Newcastle; Sheffield and Rotherham; South Derbyshire; Stevenage; Tayside; West Wales and Swansea; and Wirral.

**Eligibility:** The programme covers all young people aged 18-24 who have been claiming Jobseeker's Allowance (JSA) for six months or more. Certain groups can enter before six months if they wish. These are people with disabilities; returners to the labour market; ex-regulars in HM Forces; ex-offenders; lone parents; people whose first language is not English, Welsh or Gaelic; those with reading, writing or numeracy problems; those who have become unemployed as a result of large scale redundancies; and young people leaving local authority care. Jobcentre Plus personal advisers have discretion to admit others early if they consider them to be at a particular disadvantage in their search for work because of problems such as drug dependency or homelessness.<sup>57</sup>

**Details:** Private sector organisations initially led the delivery of the New Deal in ten locations. This has now been extended to 12 areas. The successful bidders were: Bridgend and Glamorgan Valleys (Manpower plc); Exeter and East Devon (Action for Employment); Forth Valley (Triage); Hackney and City (Working Links); Hammersmith and Fulham (Work Directions); Leicestershire (Fern Training and Development); North Essex (Seetec); Solihull (Pertemps); South Humber (Fern Training and Development); Tyneside North (Working Links); West Lancashire (Training West Lancs); and Westminster, Kensington and Chelsea (Work Directions).<sup>58</sup> In all other areas, the local Jobcentre Plus leads.

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<sup>56</sup> HC Deb 2 July 1997 cc308-309

<sup>57</sup> DfEE, *Design of the New Deal for 18-24 year olds*, October 1997, pp 5-6

<sup>58</sup> DWP Press Release, *Successful bidders announced to lead New Deal delivery to help long-term unemployed*, 13 August 2002.

Much of the detailed operation of the New Deal is set out in guidance issued to Jobcentre Plus. The DfEE published a Design Document in October 1997 that set out the main elements of the programme and this provides the main source for much of the following information.<sup>59</sup>

The programme begins with an intensive period of advice, counselling and guidance - the "Gateway" to the New Deal. At this stage each New Deal participant is allocated a New Deal Personal Adviser who will remain the claimant's main contact throughout his/her time on the programme. If participants are still unemployed after the Gateway, they will be offered one of four options: the employment option; the environment taskforce; the voluntary sector option; or full-time education and training.

**Employment Option:** A job with an employer, including at least one day a week (or its equivalent) in education or training designed to reach an approved qualification. The employer will receive £60 a week for up to 26 weeks for those working at least 30 hours a week. A subsidy of £40 per week for up to 26 weeks is payable for part-time jobs offering between 24 and 30 hours per week. In addition to the subsidy, employers receive up to £750 per person to finance the associated training.

The public sector can recruit young people under the scheme but it is expected that "the large majority of places on the New Deal Employment option will be in the private sector, reflecting the balance in the workforce as a whole".<sup>60</sup> Participating employers have to sign an "Employer Agreement" in which they agree not to make anyone redundant in order to take on the New Deal employee, to pay the young person at least the amount of the subsidy and preferably the rate for the job, and to aim to retain them in the job once the six month subsidy comes to an end.

The Employment Option includes a specific programme for those interested in moving into self-employment. This was launched on 17 July 1998 as an addition to the original proposals.<sup>61</sup> Young people expressing an interest in self-employment during the Gateway are offered initial support and advice from a New Deal Personal Adviser. They then receive a basic awareness-raising session about self-employment run by an appropriate training organisation. They are also offered one-to-one counselling or a short course to provide information about setting up a business. If they are still interested at the end of the Gateway they go on to the self-employment programme. This involves supported training for up to 26 weeks during which time the participant receives an allowance (£400 paid over 26 weeks) and continues with part-time training towards an appropriate qualification. During this period, a business adviser will be identified to offer support to the participant and this can continue for two years after the participant has started trading independently.

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<sup>59</sup> DfEE, *Design of the New Deal for 18-24 year olds*, October 1997

<sup>60</sup> DfEE, *Design of the New Deal for 18-24 year olds*, October 1997, p 17

<sup>61</sup> DfEE Press Release, *Starting your own business with the New Deal*, 17 July 1998

**Environment Task Force Option:** a job for six months with an Environment Task Force provider which will include day release education or training towards approved qualifications. Projects have included dealing with housing, forest and park management, and reclamation of derelict or waste land. They may also be designed to help meet the Government's targets for heat conservation and efficiency.<sup>62</sup> Participants receive an allowance equivalent to benefit and remain entitled to passported benefits. In addition, they receive a grant of up to £400 paid in 26 weekly instalments and help with travel costs above £4 a week.

**Voluntary Sector Option:** a job for six months with a voluntary sector employer, again including day release education or training towards an approved qualification. As with the Task Force option, participants receive an allowance equivalent to benefit and remain entitled to passported benefits. In addition, they receive a grant of up to £400 paid in 26 weekly instalments and help with travel costs above £4 a week.

**Full-Time Education and Training Option:** this option is designed “primarily to provide help for those without N/SVQ 2 or equivalent level qualification, especially people who lack the qualities, attitudes and basic skills for employment”.<sup>63</sup> Participants in this option are guaranteed access to up to 52 weeks of full-time education and training on a course leading to an approved qualification; support for basic skills leading to the achievement of an approved qualification; or a combination of these. The approved qualifications are listed in Schedule 2 to the *Further and Higher Education Act 1992* and section 6 of the *Further and Higher Education (Scotland) Act 1992*. Young people on this option will receive an allowance equivalent to benefit and remain entitled to passported benefits. They also have access to a discretionary fund to help with travel and other costs.

If a young person completes or leaves an Option and has not found a job, s/he enters the Follow-Through period. During this period the claimant receives further intensive help with jobsearch plus advice and guidance needed to improve job prospects. The Follow-Through period may last up to four months. Once a New Deal participant leaves an Option, unless s/he has found a job, s/he may claim JSA again. If s/he claims JSA for a further 26 weeks s/he will re-enter the New Deal at the Gateway stage.

**Sanctions:** Young people who fail to comply with their obligations under the scheme may face benefit sanctions. While on the Gateway, claimants continue to claim Jobseeker's Allowance (JSA) and must comply with the normal labour market requirements such as being available for and actively seeking work. Regulations designate options within the New Deal for Young People as Government programmes

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<sup>62</sup> HM Treasury, *Budget 1997*, July 1997, HC 85, p 31

<sup>63</sup> DfEE, *Design of the New Deal for 18-24 year olds*, October 1997, p 20

under section 19 of the *Jobseeker's Act 1995*.<sup>64</sup> This means that, in addition to the normal JSA requirements, participants may be sanctioned if they:

- lose a place on a New Deal option through misconduct; or
- without good cause, fail to apply for or accept a place on a New Deal option that has been notified to them; or
- without good cause fail to attend a place on a New Deal option; or
- without good cause give up a place on a New Deal option.

Those sanctioned lose 100% of their entitlement to the JSA personal allowance for two weeks. If the same claimant is sanctioned for a second time within one year, the sanction is increased to four weeks. Unlike participants in other Government programmes under section 19 of the 1995 Act, participants on the New Deal for Young People can be sanctioned for 26 weeks if a sanction is applied for a third time in the same year. Regulations introducing this extra sanction took effect from 6 March 2000.<sup>65</sup> The Government argues that there is a small number of young people who are “playing the system” by interspersing periods of compliance with periods of non-compliance in order to minimise the effects of the sanctions.<sup>66</sup>

Although claimants who are sanctioned lose their JSA personal allowance, they do not lose their underlying entitlement to JSA. For those on income-based JSA, it is entitlement, not actual payment, which acts as a passport to Housing Benefit, Council Tax Benefit and other “passport” benefits such as free prescriptions, so they will continue to receive these benefits.

Those who take up the Employment Option in the New Deal lose their automatic entitlement to passported benefits. As employed people, they are no longer entitled to JSA. They may be able to claim Housing Benefit, and other in-work benefits, on the grounds of low income.

**Changes to the NDYP:** Since its introduction, a number of changes have been made to the New Deal. On 11 January 2000, the Government announced proposals to help young people on the New Deal who face particular difficulties in finding and keeping work. These include:

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<sup>64</sup> *Social Security Amendment (New Deal) Regulations*, SI 1997/2863

<sup>65</sup> *Jobseeker's Allowance (Amendment) Regulations*, SI 2000/239

<sup>66</sup> *The Jobseeker's Allowance (Amendment) Regulations 2000: report by the Social Security Advisory Committee*, Cm 4549, February 2000

- tests and help for the 40 per cent of young people on New Deal who lack basic literacy and numeracy skills.
- compulsory presentation lessons to ensure young jobseekers can present themselves well to employers
- job coaches to offer continued support in helping people who have been long-term unemployed to make the transition back into work.<sup>67</sup>

From June 2000, the Government extended nationally an Intensive Gateway approach piloted in 12 “trailblazer” areas since August 1999. These areas were Sheffield; Sunderland; Glasgow; Shropshire; Forth Valley; Dunbartonshire; Liverpool; North Devon; North East Wales; Lincolnshire; Bedfordshire; and Hackney. The Intensive Gateway has been developed, in part, in response to criticism about the length of time some young people have stayed on the Gateway. It includes:

- a full-time course involving job-search activity and addressing "soft" skills, such as punctuality, team working and communication skills; and
- more intensive personal adviser help with job search before and after the course.<sup>68</sup>

A number of measures have been introduced to make the New Deal more flexible. A number of these were described in the following written answer from Nicholas Brown, Minister for Work:

We are continually seeking to develop the new deal for young people to ensure that it is responsive to the needs of employers and young people.

We have already introduced a number of measures to increase the flexibility of the programme for employers and young people. For example, since June 2001 we have:

introduced 'Recruit', a pilot initiative to help employers in deprived areas employ more people through the new deal's employment option;

broadened training within new deal to allow training that leads to a certificate recognised by employers in their occupational areas;

increased the permitted length of work experience placements for new dealers to eight weeks to enhance their employability; and

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<sup>67</sup> DfEE Press Release, *Jowell action plan builds on what works in New Deal*, 11 January 2000

<sup>68</sup> HM Treasury, *Budget 2000*, March 2000, HC 346, p 64

revised the entry conditions for the new deal employment option, so participants can enter the option from the day they enter the programme.

We are introducing tailored pathway pilots, the first of which began on 2 January. These pilots will enable young people to use the new deal options more flexibly and move into sustained employment. New deal clients will be able to access a mix of full-time training, work experience and employment through the new deal options.

From February, employers will be given more flexibility in the training they provide for new deal clients taken on under the employment option. Employers will be able to give new deal clients their own in-house training so that they have greater freedom to deliver training that best meets their needs.<sup>69</sup>

**Statistics:** Figures relating to the New Deal for the Young Unemployed and the New Deal for the Long-Term Unemployed in Great Britain are published by the DWP on a quarterly basis (at the end of February, May, August and November). They are available on the DWP website.<sup>70</sup> New Deal Statistics by constituency are available on the Constituency Profile section of the Library's website.<sup>71</sup>

Figures covering the period to the end of September 2002 show:

- there have been 873,600 starts to the New Deal for Young People, of which 787,400 have left the scheme and 86,200 are currently participating;
- 398,300 young people have moved into jobs.

**Evaluation:** The New Deal has been the subject of a number of evaluations. Evaluations of active labour market programmes attempt to look beyond a simple assessment of the numbers of people who have found work after participating in a programme. A comprehensive evaluation will usually make an assessment of the programme's "deadweight". This refers to the number of people who would have moved into work without the help of the programme. Other measures which can indicate the relative success, or otherwise, of a programme are the levels of displacement and substitution. Displacement refers to people who are taken on by an employer on a programme at the expense of other unemployed people. Substitution refers to the extent to which other people in the labour market may lose their jobs as a result of employers taking on unemployed people on Government programmes. The combined effect of displacement and substitution effects can result in high levels of "churning" of employees as people move in and out of Government programmes and subsidised jobs. Assessments

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<sup>69</sup> HC Deb 28 January 2002 c39W

<sup>70</sup> <http://www.dwp.gov.uk/asd/workingage.html>

<sup>71</sup> <http://hcl1.hclibrary.parliament.uk/sections/stats/asp/Profile/Profile.asp>

of these effects on earlier programmes are discussed in more detail in section III of Library Research Paper 97/118 on the New Deal.<sup>72</sup>

The National Audit Office (NAO) published a report on the New Deal for Young People in February 2002.<sup>73</sup> This found that the Government had achieved its aim of getting 250,000 under 25 year olds off benefit and into work in September 2000. The report went on to note that many of those who found work after going on the New Deal would have found work anyway given the turnover in the labour market and growth in the economy. The NAO estimated that the New Deal had reduced youth unemployment by between 25,000 and 45,000 and increased youth employment by between 8,000 and 20,000. The average annual cost per additional person in employment was estimated as £5,000 to £8,000.<sup>74</sup>

The NAO also concluded

This [positive] effect [on the economy] is likely to be sustainable in the medium to longer term if the programme adapts to changes in the economy and the make-up of client group, and if successful outcomes are generated from the increased resources that are being applied to those who are harder to help.”<sup>75</sup>

The NAO made a number of recommendations to allow progress to be quantified more easily and to improve the performance of the programme overall. These included reconsidering extending the length of the Gateway period for certain clients who would benefit from it, continuing to expand the role of subsidised employment and developing more targeted types of help for those participants who have already been through the programme or who have particularly significant barriers to employment.

The Work and Pensions Select Committee produced a report on the Government’s Employment Strategy in July 2002.<sup>76</sup> One of the Report’s recommendations was that:

... the emphasis of the New Deal should shift from the younger JSA claimant population to older JSA recipients, those facing acute barriers to work, those on other benefits and those who are economically inactive ...<sup>77</sup>

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<sup>72</sup> <http://hcl1.hclibrary.parliament.uk/rp97/rp97-118.pdf>

<sup>73</sup> National Audit Office, *New Deal for Young People*, Report by the Comptroller and Auditor General, 28 February 2002, HC 639, Session 2001-2002.

<sup>74</sup> This takes into account the estimated increase in employment of 10,000 in groups other than 18-24 year olds.

<sup>75</sup> National Audit Office, *New Deal for Young People*, Report by the Comptroller and Auditor General, 28 February 2002, HC 639, Session 2001-2002 para 18.

<sup>76</sup> Work and Pensions Committee, *The Government’s Employment Strategy*, 31 July 2002, HC815 2001-02.

<sup>77</sup> *Ibid* p 46

The report found that the New Deal's performance in reducing youth unemployment had been impressive.<sup>78</sup> While the report noted the NAO's view that the majority of 18-24 year olds would have found work anyway it went on to say:

We are convinced that most will have been placed into more sustained employment than might otherwise occur because the job matching process will have been more exacting while the skills and job-readiness of New Deal job-entrants will have been greater.<sup>79</sup>

The Committee did, however, express concerns about the 40 per cent of those leaving the NDYP who were claiming JSA again within six months. On the basis of sustained job entry as a proportion of those exiting the New Deal, the scheme has a national job entry rate of 40 per cent. The Committee's report noted that while this was significantly better than any previous scheme, the New Deal should be performing better.

The Committee also found that the NDYP needed to be made more flexible. It recommended that the Tailored Pathways approach, currently being piloted in 17 areas, should be rolled out nationally. The Tailored Pathway offers a more flexible package of help after a period on the Gateway.<sup>80</sup>

The Committee also recommended that the New Deals should be redesigned around the following three principles:

- Work for those who can enter the job market quickly;
- Soft skills, work placements, job-specific training and active job-search for others; and
- Intensive personal help ("rehabilitation" in the jargon) for those with the most significant barriers – e.g. drug abuse, ex-offenders.<sup>81</sup>

The Committee went on to recommend that Personal Advisers should be given greater flexibility in applying these principles and that the Jobcentre Plus offices should be judged on outcomes rather than as now through centrally set options and programme rules.

The DWP has published a report into the effects of the NDYP on employment and unemployment and also its effects on the wider economy.<sup>82</sup> This report brought together research undertaken by the Policy Studies Institute (PSI) and previously published work

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<sup>78</sup> Ibid p 19

<sup>79</sup> Ibid p 19

<sup>80</sup> Ibid p 24

<sup>81</sup> Ibid p 29

<sup>82</sup> Michael White and Rebecca Riley, *Findings from the Macro evaluation of the New Deal for Young People*, DWP Research Report 168, 2002.

by the National Institute of Economic and Social Research (NIESR). NIESR estimated that NDYP reduced long-term (more than six months) unemployment by 45,000 and that total youth unemployment was reduced by 35,000 in the first two years of the programme. The PSI estimate of the fall in total youth unemployment was 40,000. The impact on the wider economy was also found to be positive. NIESR estimated that national income was £500 million a year higher as a result of NDYP.

### **Further Reading**

1. National Audit Office, *New Deal for Young People*, Report by the Comptroller and Auditor General, 28 February 2002, HC 639 Session 2001-2002.
2. Education and Employment Committee, *New Deal: An Evaluation*, 13 March 2001 HC 58, 2000-01.
3. Work and Pensions Committee, *The Government's Employment Strategy*, 31 July 2002, HC 815, 2001-02.
4. DWP, *Report on the Government's Employment Strategy, Reply by the Government to the Third Report of the Work and Pensions Select Committee, Session 2001-02 [HC815]*, October 2002, Cm 5599.
5. Committee of Public Accounts, *The New Deal for Young People*, 9 October 2002, HC 700, 2001-02.
6. Michael White and Rebecca Riley, *Findings from the Macro evaluation of the New Deal for Young People*, DWP Research Report No. 168, 2002.

## E. New Deal for Partners

Workless households make up a large and increasing proportion of the unemployed. Where one partner is out of work, the chances of the other partner being in work are much lower.<sup>83</sup> The New Deal for Partners (NDP) offers advice and jobsearch assistance to dependent partners of benefit claimants. The programme was called New Deal for Partners of the Unemployed before April 2001.

**Announced:** In his Budget Statement on 17 March 1998, Gordon Brown said:

Past employment programmes have helped men but often ignored employment opportunities for women. From this year, the new deal will be extended to thousands of women previously denied chances of work, and it will do so in three ways.

First, for a quarter of a million women, who are partners of unemployed men, we will offer expert and personalised help to find work through pilot programmes to be launched in every region of Britain, paid for from the windfall tax ...

Secondly, my right hon. Friend the Secretary of State for Social Security will announce next week the personal help that will now be available on a national basis for all lone parents who want to work and whose children are at school. And we will implement a 12-week linking rule so that they do not risk losing benefits as a result of a brief period in work.

Thirdly, partners of the unemployed under 25 without children, who are not allowed to register as unemployed, will now be given exactly the same opportunities for training and work that others under 25 now enjoy.<sup>84</sup>

A press notice accompanying the Budget stated:

**A New Deal for the partners of the unemployed.** Partners of the unemployed who are themselves out of work (95 per cent of them women) have not had access to employment programmes on the same basis as the claimant unemployed. To address this imbalance, the Chancellor has set aside £60 million from the windfall tax receipts to ensure that partners over 25 have the option to receive the help they need to get back to work. Childless partners aged under 25 will be included in the New Deal. Further details of these new opportunities will be set out in due course.<sup>85</sup>

**Started:** In three pathfinder areas (Cardiff, Leeds and Tayside) from February 1999 and nationally from April 1999.

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<sup>83</sup> HM Treasury, *Budget 2002*, April 2002, HC 592 p68

<sup>84</sup> HC Deb 17 March 1998 c1103

<sup>85</sup> HM Treasury Press Release, *Budget Boost for Welfare to Work*, 17 March 1998

**Eligibility:** Initially partners of people who had been claiming JSA for six months or more and were claiming for their partner were eligible. From April 2001, NDP was extended to the partners of those claiming other benefits. This was described in the following written answer:

**Mr. Salter:** To ask the Secretary of State for Education and Employment if he will make a statement on the extension of the New Deal for Partners of Unemployed People.

**Ms Jowell:** From 23 April 2001, partners of those receiving Income Support, Incapacity Benefit, Invalid Care Allowance and Severe Disablement Allowance will be eligible to participate in New Deal for Partners of Unemployed People. To reflect the wider group, from that date New Deal for Partners of Unemployed People will formally become New Deal for Partners.

About 450,000 partners of existing long-term claimants of those benefits will become eligible with a further 80,000 partners becoming eligible during the first year.

The aim of New Deal for Partners is to help reduce the number of workless households. Partners will have the opportunity to use the services of a personal adviser to help them directly into a job or, for those who are not job-ready, to training, education and other support.<sup>86</sup>

From March 2001, childless partners of the unemployed aged between 18 and 24 became joint JSA claimants with the same rights and responsibilities as the main claimant.<sup>87</sup> At the same time, those among this group who have been unemployed continuously for 26 weeks will be required to join NDYP. In October 2002, joint claims were extended to all childless partners where one partner is aged 45 or under.<sup>88</sup> The Pre-Budget Report 2002 set out further extension of work-focused interviews:

Compulsory work-focused interviews will be introduced for partners of all new benefit claimants and existing claimants without children from April 2004, beyond those already having joint claim status for Jobseekers' Allowance. This will be extended to existing claimants with children once the roll-out of Jobcentre Plus is complete.<sup>89</sup>

**Details:** NDP is a voluntary programme. Participants on NDP meet a New Deal Personal Adviser who can provide information, support and advice. The Personal Adviser can provide help with searching for a job. Partners can also be referred to

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<sup>86</sup> HC Deb 29 March 2001 c765W

<sup>87</sup> HM Treasury, *Budget 2001*, March 2001, HC 279 p64

<sup>88</sup> HM Treasury, *Budget 2002*, April 2002, HC 592 p68

<sup>89</sup> HM Treasury, *Pre-Budget Report 2002*, November 2002, Cm 5664, p74

Jobcentre Plus programmes such as Work Trials and the Travel to Interview Scheme. Help is also available with education and training.

### **Statistics and evaluation**

Statistics on NDP are not published on a regular basis. Figures for NDP are not available at constituency level.<sup>90</sup>

The performance of NDP was assessed in a recent article in *Working Brief*.<sup>91</sup> This found that take-up of NDP has been much lower than on the other New Deals. Reasons for this include the lack of incentives and lack of familiarity with the programme on the part of Personal Advisers. One difficulty is that partners are not a cohesive group and face different barriers to work. A report on NDP prepared for the Employment Service found that lack of confidence, views about household roles and childcare were particularly significant barriers for partners.<sup>92</sup> The report concluded that while take-up of NDP was low, those who did participate appeared to benefit.

### **Further reading**

1. “Including partners of the unemployed”, *Working Brief*, July 2001
2. Andrew Thomas and Tanya Saunders, *New Deal for Partners: Qualitative Research*, Employment Service Report WAE 112, April 2002.
3. Dorothe Bonjour and Richard Dorsett, *New Deal for Partners: characteristics of labour market transitions of eligible couples*, DWP Report WAE 134, August 2002.
4. “New Deal for Partners”, *Working Brief*, August/September 2002

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<sup>90</sup> HC Deb 10 June 2002, c872W

<sup>91</sup> “New Deal for Partners”, *Working Brief*, August/September 2002.

<sup>92</sup> Andrew Thomas and Tanya Saunders, *New Deal for Partners: Qualitative Research*, Employment Service Report WAE 112, April 2002.

## F. New Deal for the Long-Term Unemployed

The New Deal for the Long-Term Unemployed, also referred to as New Deal for 25+, (ND25+), forms part of the Government's Welfare to Work policy and is aimed at those people over the age of 25 who have been unemployed for more than eighteen months.

Employment Zones are another scheme aimed at helping unemployed people aged over 25 back to work. There are 15 Employment Zones offering a range of help to people who have been unemployed for either 12 or 18 months. Employment Zones are discussed in Part II, section J.

**Announced:** The programme was foreshadowed in Labour Party policy documents before the 1997 General Election. Labour's manifesto promised to "encourage employers to take on those who have suffered unemployment for more than two years with a £75-a-week tax rebate paid for six months, financed by the windfall levy". The formal announcement came in Gordon Brown's first Budget on 2 July 1997:

There are 350,000 adults who have been out of work for two years or longer. So the second component of our welfare-to-work programme will offer employers a £75-a-week subsidy to employ long-term unemployed men and women. Many of those unemployed who lack skills are debarred by the 16-hour rule from obtaining them. For this group--the unskilled--the 16-hour rule will now be relaxed, so that when the long-term unemployed sign on for benefit, they will now sign up for work or training.<sup>93</sup>

In the November 1999 Pre-Budget Report, Gordon Brown announced that the Government intended to extend the New Deal for the over 25s from April 2001:

4.33 The Government intends to intensify and extend the New Deal for the over 25s on a national basis from April 2001, building on the principles of the New Deal for 18-24s and bringing the rights and responsibilities for those aged 25 and over closer into line with those for young people. This will be funded from the Windfall Tax. This will incorporate the lessons from the evaluation of the innovative New Deal for the over 25s pilots introduced in November 1998. To enable this evaluation work to continue, and to provide as much evidence as possible about what works and what does not, the pilots will be extended to run until April 2001. In some cases the pilots will continue in much the same form as they are currently operating; in others a more radical approach will be taken.<sup>94</sup>

**Started:** 29 June 1998.

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<sup>93</sup> HC Deb 2 July 1997 c309

<sup>94</sup> HM Treasury, *Pre-Budget Report 1999*, November 1999, Cm 4479, para 4.31

**Eligibility:** Originally, those aged over 25 and claiming Jobseeker's Allowance for more than two years automatically entered ND25+ when they crossed the two year threshold.

From April 2001, eligibility was extended to those claiming JSA continuously for 18 months. When they reach the 18 month threshold, participation becomes mandatory. Those who have claimed JSA for 18 of the last 21 months may choose to join the New Deal. Participation will become mandatory for this group once information technology supports it. People already unemployed for 18 months enter the New Deal on a staggered basis depending on their previous participation in the programme, although they may request early entry.<sup>95</sup>

Early entry to the programme is available to certain groups of people. Since April 2001, the criteria for determining early entry include:

- people with a disability
- ex-offenders
- refugee
- the homeless
- those recovering from drug abuse

**Details:** Provision under ND25+ was expanded from April 2001 to bring its provision closer to that of NDYP and to incorporate lessons learned from the innovative ND25+ pilots. A press release accompanying the March 2000 Budget gave further details:

At 18 months of unemployment, people aged over 25 will be required to join the New Deal, which will have the following key features:

- **a Gateway period** aimed at helping people into jobs, tackling barriers to work and providing people with the soft skills they need to succeed in the labour market.
- **a period of full-time activity.** Individuals will get a mix of subsidised employment, work-based training, work experience, help with jobsearch, and help with moving into self-employment, depending on their needs and their job goals. The period will be flexible in length, providing 13 weeks of full-time activity for some and up to 26 weeks for others.
- **a follow-through period.** Those who do not find work through the full-time activity period would enter the follow-through, where they would get intensive help to capitalise on their experience and move into work.
- **earlier access** for groups at a severe disadvantage in the labour market.<sup>96</sup>

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<sup>95</sup> DWP Press Release December 2001: *New Deal for Young People and Long-Term Unemployed people aged 25+: Statistics to October 2001.*

<sup>96</sup> DfEE Press Release, *Jowell announces Budget boost to tackle unemployment*, 27 March 2000

The enhanced programme will be accompanied by benefit penalties for non-compliance.

**Recent changes:** In the 2002 Budget, the Chancellor announced plans for a more intensive Gateway period for ND25+. This will operate in London, Manchester, Dundee and Swansea. This will help those who have been out of work for some time and those made redundant and facing difficulties re-entering the labour market. Budget 2002 also announced mandatory pilots extending eligibility for ND25+ to all jobseekers unemployed for a total of 18 months over the previous three years (rather than 18 of the previous 21).<sup>97</sup> These pilots are scheduled to begin in April 2003.<sup>98</sup>

**New Deal Pilots:** From November 1998, the ND25+ operated differently in 28 pilot areas in Great Britain and one covering Northern Ireland. Participants joined the programme after 12 or 18 months (ie more quickly than the national ND25+ operating at the time). The pilots were permitted considerable flexibility as to how they delivered the New Deal and were used to inform the subsequent development of the New Deal. The pilots took their last participants in March 2001.

Documentation sent out to potential private sector bidders in May 1998 summarised the basic design of the pilots:

- An initial period of 3 months when the participant receives intensive help in jobsearch, including vocational guidance and, where appropriate, training needs assessment and the opportunity to undertake training. (Where pre-vocational or basic skills training needs are identified, participants will be given access to the training they require through work based training for adults);
- Those who do not find work in this period will progress to a further three month period of activity consisting of an individually-tailored mix of work experience, job-related training, help into self-employment, and jobsearch help;
- During this period participants will be eligible for the Government's New Deal employer subsidy of £75 a week for six months;
- Those who have not managed to get work during this period, or who return to benefit within three months will enter a follow-through period. During this time they will receive further advisory support and vocational guidance to help them into work.

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<sup>97</sup> HM Treasury, *Budget 2002*, April 2002, HC 592, p66

<sup>98</sup> HM Treasury, *Pre-Budget Report 2002*, November 2002, Cm 5664 p67.

Further information on the pilots is contained on pages 44-48 of the previous edition of this research paper.<sup>99</sup>

**Statistics:** Figures relating to NDYP and the ND25+ in Great Britain are published by the DWP on a quarterly basis (at the end of February, May, August and November). New Deal Statistics by constituency are available on the Constituency Profile section of the Library's Intranet site.<sup>100</sup>

Data covering the period to September 2002 show:<sup>101</sup>

- there have been 174,500 starts to the programme. 118,200 have left leaving 56,300 participating at the end of September 2002;
- 49,500 individuals had gained a job from the enhanced programme by the end of September 2002.

**Evaluation:** The performance of the enhanced ND25+ has been examined in two recent reports.<sup>102 103</sup> Both found that there had been teething troubles when the enhanced programme was launched but that once these had been overcome the scheme had worked well.

A DWP report published in 2002, found that staff and training providers thought that ND25+ allowed them to assist most participants, especially those that wanted to be helped. Certain groups (those aged over 50, those with severe basic skill needs and those requiring intermediate/higher level training) were identified as not being well-catered for. With regard to job outcomes, the report found:

... there is a general feeling that the programme has worked reasonably well, though more time is needed for the true potential of the programme to become clear. Certainly significant numbers are leaving the register. Although this is often the result of individuals switching from JSA to other benefits, there are positive signs that many are finding work.<sup>104</sup>

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<sup>99</sup> *Employment and Training Programmes for the Unemployed*. Research Paper 00/81.

<sup>100</sup> <http://hcl1.hclibrary.parliament.uk/sections/stats/asp/Profile/Profile.asp>

<sup>101</sup> DWP Press Release, *New Deal for Young People and Long-term unemployed people aged 25 plus: Statistics to September 2002*, 28 November 2002. These statistics refer to the Enhanced ND25+ (ie entrants since April 2001)

<sup>102</sup> Phillip Wilson, *Evaluation of Re-engineered New Deal 25 plus: Case Studies*, Employment Service Report WAE 111, April 2002.

<sup>103</sup> Mark Winterbottom et al, *Evaluation of New Deal 25 Plus: Qualitative Interviews with Employment Service Staff, Providers, Employers and Clients*, DWP Report WAE 127, July 2002.

<sup>104</sup> *Ibid* p vi

**Further reading**

1. Mark Winterbottom et al, *Evaluation of New Deal 25 Plus: Qualitative Interviews with Employment Service Staff, Providers, Employers and Clients*, DWP Report WAE 127, July 2002.
2. Phillip Wilson, *Evaluation of Re-engineered New Deal 25 plus: Case Studies*, Employment Service report WAE 111, April 2002
3. *Working Brief*, "Evaluating New Deal 25+", May 2001
4. "Re-engineered New Deal for 25+", *Working Brief*, December 2000/January 2001.

## G. New Deal for the over 50s

The New Deal for the over 50s (ND50+) provides a combination of advice, help with jobsearch, and financial support to help the over-50s back into work. It is a voluntary programme.

**Announced:** The Chancellor announced details of the over-50s Employment Credit in the 1999 Budget:

Nearly 30 per cent. of men over 50 are outside the labour force--twice as many as 20 years ago.

We need their talents. For those unemployed for six months or more, we will create a new employment credit which will guarantee a minimum income of £9,000 a year, for their first year back in full-time work--at least £170 a week.<sup>105</sup>

The Budget Report contained details of the personal adviser service and jobsearch help:

**4.31** The employment rate of men over 50 has fallen sharply in the last 20 years, whilst women over 50 have not seen the large increases in participation that are so marked among younger women. **A New Deal for the over 50s will provide personalised advice for people over 50, where they or their partner have been on benefits for more than six months, to help them return to work.** The programme will be voluntary, and available to people who are economically inactive as well as unemployed. The programme will complement the new Employment Credit for over 50s. Pathfinders will start in October 1999, prior to national roll-out of the programme in 2000.

**4.32** Many workers over 50 have skills that may have been superseded, or become rusty from a period out of the labour force. In addition to an Employment Credit, the over 50s will be eligible to up to £750 in-work training grants to help them acquire accredited training to take up and keep a new job.<sup>106</sup>

**Started:** In October 1999, in nine pathfinder areas: Black Country; Manchester; Dorset; Durham; Edinburgh East and Midlothian; Hull; North Derbyshire; North East Wales; and Oxfordshire. The programme was rolled out nationally on 3 April 2000.

**Eligibility:** The programme is voluntary.<sup>107</sup> In order to gain access to a personal adviser and jobsearch help, participants must be aged 50 or over and be unemployed or economically inactive and have claimed one of the following benefits for at least six months:

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<sup>105</sup> HC Deb 9 March 1999 cc87-88

<sup>106</sup> HM Treasury, *Budget 99*, March 1999, HC 298, p56

<sup>107</sup> Those claiming JSA for 18 months or more are covered by the New Deal for 25+ and they are required to participate in the Gateway of that programme.

- Income Support; or
- Jobseeker's Allowance, including NI credits only claims; or
- Incapacity Benefit; or
- Severe Disablement Allowance.

Time spent on Invalid Care Allowance, and the Bereavement Allowance or Widowed Parent's Allowance, will also count towards the six months on benefits. The programme is also open to dependent partners of those claiming these benefits.<sup>108</sup>

**Details:** The programme offers personal advice and jobsearch help. Those who move into work may be eligible for a Training Grant of £750 to help them acquire accredited training to enable them to take up and maintain employment or self-employment

The Employment Credit is available to those going into employment, or self-employment, of at least 16 hours per week. Eligibility is restricted to individuals having an expected total income of less than £15,000 a year (including income from other sources, such as private pensions and investments).<sup>109</sup> Although other income will be taken into account for eligibility for the over-50s Employment Credit, there is not a capital test.<sup>110</sup> It pays £40 per week for 16-30 hours work and £60 per week for more than 30 hours per week for up to a year. The Employment Credit is tax free and is paid directly to the employee (unlike some of the other New Deals where subsidies are paid to the employer). A Training Grant of up to £750 is available to those receiving the Employment Credit. This can be used to purchase training supplied by the employer or by another training provider. It must be related to the individual's employment.

The Government proposes to introduce Third Age Apprenticeships. These were described in the following written answer:

**Mr. McCartney:** Third age apprenticeships are still in the early stages of development. Their purpose is to increase the take up of training within the new deal 50-plus programme, and to engage more directly with employers in particular sectors of the market rather than in particular locations.<sup>111</sup>

**Statistics:** According to the Pre-Budget Report 2002, ND50+ has helped more than 75,000 people into jobs since its introduction in 2000.<sup>112</sup>

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<sup>108</sup> DfEE Press Release, *New Deal 50 plus will unlock the potential of older workers – Gordon Brown and David Blunkett*, 4 November 1999

<sup>109</sup> Ibid

<sup>110</sup> HC Deb 29 June 1999 c 144W

<sup>111</sup> HC Deb 19 December 2001 c358W

<sup>112</sup> HM Treasury, *Pre-Budget Report 2002*, November 2002, Cm5664, p65.

**Evaluation:** ND50+ has been evaluated for the Employment Service by the Institute for Employment Studies.<sup>113</sup> This concluded:

- there were positive views about the scheme among both clients and those administering it
- the scheme has been successful in getting people into work and the level of sustained employment has been significant.

The report noted the possibility of substantial deadweight (ie many who found work through the scheme would have found work anyway). It also noted a number of possible problems such as failure to attract many non-JSA recipients who are eligible. The programme appears to have been more successful in dealing with younger participants and those who had been unemployed for a short period of time. The scheme was less successful in dealing with the more difficult cases. Take-up of the training grant has been low.

### **Further reading**

1. John Atkinson, *Evaluation of the New Deal 50plus: Summary Report*, Employment Service Report ESR 103, December 2001.
2. "A better deal for the over 50s", *Working Brief*, April 2002.

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<sup>113</sup> John Atkinson, *Evaluation of the New Deal 50plus: Summary Report*, Employment Service Research and Development Report ESR 103, December 2001

## H. New Deal for Disabled People

The Government introduced the New Deal for Disabled People (NDDP) in 1998. When it was introduced, there were two main elements to NDDP: a personal adviser service and a series of innovative pilot schemes to help sick or disabled people return to work. A system of Job Brokers was introduced in July 2001 and rolled out nationally in October 2001.

**Announcement:** In his Budget statement on 2 July 1997, the Chancellor announced plans to help long-term sick or people with disabilities return to employment:

In 1997, no one in our society who wants to do some work should be excluded from the right to work because of disability or incapacity. So as a final element of our welfare-to-work strategy, we shall bring forward proposals to help those who are disabled or on incapacity benefit, and who want training or work. To fund that programme and other measures, I have set aside £200 million from the windfall fund.<sup>114</sup>

**Started:** The first six pilots of the personal adviser service run by the Employment Service were launched on 28 September 1998.<sup>115</sup> A further six, managed by private sector, local authority and voluntary sector led consortia, started operating in April 1999.

The Government announced details of the first ten successful bids for the innovative schemes in July 1998.<sup>116</sup> A further 14 schemes were awarded contracts on 31 March 1999 and these started during the autumn of 1999.

The Personal Adviser Service (PAS) Pilots came to an end in June 2001 and were replaced by the national extension of NDDP. The first Job Brokers began operating in July 2001 and NDDP was extended nationally on 15 October. The national extension draws on experience of both the pilots and the innovative schemes but rolls out neither model as such.<sup>117</sup>

**Eligibility:** People who are getting one or more of the following benefits can get help from the New Deal for Disabled People:<sup>118</sup>

- Incapacity Benefit;
- Severe Disablement Allowance;

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<sup>114</sup> HC Deb 2 July 1997 c310

<sup>115</sup> HC Deb 19 October 1998 c955W

<sup>116</sup> DSS Press Release, *Ministers announce winners of pioneering schemes for New Deal for disabled people*, 16 July 1998

<sup>117</sup> DWP Press Release, *New Deal for disabled people: National survey of Incapacity Benefits Claimants*, 19 December 2001.

<sup>118</sup> <http://www.newdeal.gov.uk/english/unempdisabled/unempdisabledsub2.asp>

- Income Support including a Disability Premium;
- Income Support where Incapacity Benefit has been stopped and the claimant is appealing against the decision;
- Housing Benefit or Council Tax Benefit including a Disability Premium for the participant where they are not in paid work of 16 hours a week or more, or getting Jobseekers Allowance;
- Disability Living Allowance for the participant. The participant must not be in paid work of 16 hours a week or more or receiving JSA;
- War Pension with an Unemployability Supplement
- Industrial Injuries Disablement Benefit (IIDB) with an Unemployability Supplement;
- National Insurance credits because of sickness or disability; and
- Equivalent benefits to Incapacity Benefit being imported into Great Britain under European Community Regulations on the co-ordination of social security and the terms of the European Economic area Agreement.

Participation in the NDDP is voluntary.

**Details:** Details of the pilot areas for the personal advisers were announced on 30 March 1998:

A new personal adviser service will be piloted in 12 areas, covering over a quarter of a million people on incapacity benefits. The first six, to be run by the Employment Service, will start in October with a budget of £5 million. The remainder will be put out to open tender and start in early 1999 with a £12 million budget. National implementation will be considered from April 2000.

The areas for the first six pilots are:

Lanarkshire: Clyde Valley and Coatbridge; Eastern Valleys; Sandwell; Bolton; Central Sussex; and Bristol East and Bath.

The remaining six are:

Newham; South Tyneside; Mercia East; South Devon; Bedfordshire; and North Yorkshire.

The personal advisers will make initial contact with those on incapacity benefits; complete an employability assessment; agree and support an individual action plan; and help employers to retain disabled employees.<sup>119</sup>

The Government has awarded 24 contracts under the bidding process for innovative schemes. The first 10 successful bids included a scheme in Manchester to help people with long-term mental health needs and a national programme run by Leonard Cheshire Workability which provides on-line home-based training on specially adapted IT

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<sup>119</sup> DfEE Press Release, *New personal advisers service for disabled people to be piloted in twelve areas*, 30 March 1998

equipment. Later schemes included one run by the Prince's Youth Business Trust in Hampshire, Surrey and the Isle of Wight to support disabled people moving into self-employment, and a programme in Wigan to re-train people with heart and circulatory problems.<sup>120</sup>

The network of Job Brokers was introduced in July 2001 and offers support and guidance for those looking for work and advises employers on the needs of the disabled.

Announcing the establishment of the network of Job Brokers, Social Security Minister Hugh Bayley said:

Job Brokers will work closely with employers to help disabled people prepare to move into, or back into work. Job Brokers will need to understand the local labour market and be aware of the needs of disabled people. They will match jobs available with the skills needed to fill them, and help develop skills for those who do not already have them. Job Brokers will work with people with a disability or long term illness entitled to incapacity benefits.<sup>121</sup>

The New Deal for Disabled People Prospectus outlines the following process:

Clients will have a choice of Job Brokers and will therefore select and contact Job Brokers themselves. They will receive a variety of information about the Job Brokers in their area from a range of sources. Job Brokers will be expected to develop innovative approaches to marketing their services to potential clients to encourage more people to participate ... New claimants of incapacity benefits will be offered an interview with an adviser from the new agency for working age people.

The interview will be provided through a gateway process. The gateway adviser will identify job ready clients and submit them to suitable vacancies and provide the client with details of Job Brokers in operation.

We will clearly define the outcomes that Job Brokers are expected to achieve but will not prescribe the processes that they will use to meet these outcomes.

The role of the Job Broker is likely to fall into four main areas:

- marketing the service to potential clients;

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<sup>120</sup> Details of the innovative schemes are contained in two Government press releases: DSS press release, *Ministers announce winners of pioneering schemes for New Deal for disabled people*, 16 July 1998; DfEE press release, *Pioneering London scheme to help disabled people into work wins government funding*, 31 March 1999

<sup>121</sup> DSS Press Release: *New Measures to Help Disabled People Back to Work - Hodge and Bayley*, 13 November 2000.

- working with employers to match their vacancies with the skills and potential of the Job Broker's clients, and to develop a long term partnership to support the employment of disabled people;
- helping clients to find, secure and keep paid work; and
- helping clients to understand and compete in the labour market.

Job Brokers will need to work closely with a variety of employers, to identify jobs available and the skills needed to fill them. This would include identifying employers with immediate vacancies to accept job ready clients. Clearly, as part of their work with employers, Job Brokers will promote the advantages of employing disabled people and inform employers of their obligations under Disability Discrimination legislation.

Many clients will have been out of work for years and will need practical help to understand the current labour market. They may need to develop the qualities and skills required by employers and may need help with job search and interview techniques. They may also require some support in retaining a job once they have secured one (beyond any assistance that will be available from the new agency for working age people's Access to Work programme). Many clients may have basic numeracy/literacy skills needs and also need help overcoming social and financial barriers. This will include support in calculating their financial position, their entitlement to tax credits and their position in relation to disability benefits if they return to work.

Job Retention and Rehabilitation Pilots which test the effect of extra intervention to help workers in danger of losing their jobs through sickness were introduced on 1 October 2002.<sup>122</sup>

**Statistics:** The 2002 Pre-Budget Report stated that 6,000 people had been helped into work by NDDP.<sup>123</sup> Figures for NDDP are not published at constituency level.

**Evaluation:** Two reports evaluated the NDDP Personal Advisor Pilots (PAS)<sup>124</sup> and Innovative Schemes (IS).<sup>125</sup>

The main findings identified across the two studies were:

- Activities: Services carried out three broad types of activities: Mobilising clients – encouraging active participation of clients in services; Mobilising employers –

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<sup>122</sup> HM Treasury, *Pre-Budget Report 2002*, November 2002, Cm 5664, p72

<sup>123</sup> Ibid

<sup>124</sup> Dione Hills et al, *Evaluation of New Deal for Disabled People Personal Innovative Schemes Pilots*, DWP Research Report No. 143, 2001.

<sup>125</sup> Julia Loumidis et al, *Evaluation of New Deal for Disabled People Personal Adviser Service Pilots*, DWP Research Report No. 144, 2001.

encouraging the involvement of employers, and increasing work opportunities for disabled people; Matching – finding suitable employment opportunities for clients.

Partnerships: Partnership working was important, especially with organisations that could provide employment related services to the client group including Disability Employment Advisers (based within the Employment Service) and also Benefits Agency staff. Partner organisations were felt to have contributed to an improved service, through the provision of additional resources and by helping achieve a more seamless journey for a client between different statutory agencies.

Specialisation: Staff within the pilot services needed to have a wide range of skills. Many service providers decided to specialise the functions of their staff so that they carried out specific client activities - e.g. initial client interview, job-matching, working with employers etc. – or provided specialised support for clients with particular types of disability.

Funding: There was some evidence that outcome-related funding which rewards paid employment leads to a focus on clients who are perceived as being easier to help into work.

Clients: The pilots worked with and achieved positive outcomes for a whole range of eligible clients, including those who were quite severely disabled. Although participants were more likely to be closer to the labour market, clients varied greatly in the degree to which they were 'work ready'. Some required little input from services to move them into employment, whereas others required a number of intermediary steps.

Clients were generally positive about the service they had received and felt it had made a positive impact on their overall move towards work. They appreciated the individualised approach and 'work focus' although intermediary benefits like social gains were also valued. Many of the clients who moved into employment felt in need of continued support from services.

Employers: Service providers were more successful when they had a good understanding of the local business environment, and viewed employers as 'customers' with their own varied needs. Employers appreciated general advice on employing disabled people. They particularly appreciated advice on the operation of the Disability Discrimination Act, enhancing the skills of personnel staff and managers in managing sickness absence, and information on services to support employees at risk of losing their jobs because of ill-health and/or disability. Some employers found that their fears about employing disabled people diminished after involvement with pilots.<sup>126</sup>

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<sup>126</sup> <http://www.dwp.gov.uk/asd/>

**Further reading:**

1. Dione Hills et al, *Evaluation of New Deal for Disabled People Personal Innovative Schemes Pilots*, DWP Research Report No. 143, 2001.
2. Julia Loumidis et al, *Evaluation of New Deal for Disabled People Personal Adviser Service Pilots*, DWP Research Report No. 144, 2001.

## I. New Deal for Lone Parents

The New Deal for Lone Parents (NDLP) is another element of the Government's Welfare-to-Work programme. The Government's target is for 70 per cent of lone parents to be working by 2010, compared with 51 per cent in 2000.<sup>127</sup> NDLP is voluntary. However, certain groups of lone parents are obliged to attend work-focused interviews with a personal adviser.

**Announced:** The programme was foreshadowed in Labour Party policy documents before the 1997 General Election and mentioned in the manifesto. The formal announcement came in Gordon Brown's first Budget on 2 July 1997:

There are now 1 million lone parents bringing up 2 million children on benefit. Any welfare-to-work programme that seriously tackles poverty in our country must put new employment opportunities in the hands of lone parents. So today I am allocating a total of £200 million from the windfall fund for the most innovative programme that any Government have introduced for advice, training, and day and after-school child care to support lone parents.<sup>128</sup>

**Started:** NDLP was initially introduced in three stages. The first stage pilots began in Cambridgeshire, Warwickshire, Cardiff & Vale, Sheffield East, North Cheshire and North Worcestershire from 21 July 1997; in Clyde Valley from 22 July 1997; and in North Surrey from 4 August 1997.<sup>129</sup> In the second stage, from April 1998, the programme was extended nationally to those lone parents who made a new or repeat claim for Income Support.<sup>130</sup> The programme was extended nationally to all lone parents on Income Support, whose youngest child is over the age of 5, from 26 October 1998.<sup>131</sup>

During 2000, the Government introduced a number of changes to NDLP including an extension of invitations to participate in the scheme to lone parents on Income Support with children from the age of three.

**Eligibility:** NDLP is a voluntary programme. All lone parents not in work or working less than 16 hours a week are eligible. Before November 2001, only lone parents receiving Income Support were eligible. Lone parents aged 18-24 receiving JSA are invited for early entry on to the New Deal for Young People. Few lone parents are on the New Deal for the Long-term Unemployed as longer-term unemployed lone parents are more likely to claim income support.<sup>132</sup>

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<sup>127</sup> HM Treasury, *Budget 2002*, April 2002, HC 592, p67.

<sup>128</sup> HC Deb 2 July 1997 cc309-310

<sup>129</sup> DSS Press Release, *New Deal for Lone Parents*, 4 July 1997

<sup>130</sup> DfEE Press Release, *New Deal for Lone Parents to be extended - Smith*, 29 April 1998

<sup>131</sup> DSS Press Release, *New Deal goes national*, 26 October 1998

<sup>132</sup> Martin Evans et al, *New Deal for Lone Parents: First Synthesis Report of the National Evaluation*, DWP Report WAE 116, July 2002.

**Work-focused personal interviews:** On 30 April 2001, compulsory Personal Adviser meetings were introduced for lone parents with a youngest child of school age making a new or repeat claim to Income Support.<sup>133</sup> This approach had been piloted in 12 pilot areas since April 2000<sup>134</sup> and in three pathfinder areas, Fife, Shropshire and South Tyneside, since October 2000. From April 2002, these meetings have been extended to lone parents making a new or repeat claim with a child aged three years or over. Any lone parent, irrespective of the age of their youngest child making a new or repeat claim for benefit at a Jobcentre Plus office is required to have a Work Focused Interview.<sup>135</sup>

Lone parents already receiving income support and with a youngest child aged 13-15 were called for Personal Adviser meetings in 2001/2, those with a youngest child aged 9-12 will be called in 2002/03 and those with a youngest child aged 5-8 will be called in 2003/04.<sup>136</sup> The extension of the requirement to attend a personal adviser meeting to all lone parents on Income Support with children under five was announced in the 2002 Budget.<sup>137</sup>

**Details:** After their initial interview, lone parents may agree or decline to join NDLP. Participating lone parents will develop an individual plan of action with the help of their personal caseworker on how they can develop their job search skills, training and find suitable childcare. This includes access to the range of Jobcentre Plus programmes for the unemployed, the eligibility rules of which were changed to allow access for lone parents who had been in receipt of benefit for less than six months.<sup>138</sup> From April 2001, the Government made changes to benefits rules and training allowances to make the available options available to lone parents under the programme more attractive. These changes included:

- from 9 April 2001 the amount of earnings not counted when calculating Income Support of a lone parent who works less than 16 hours a week increased from £15 to £20 a week;
- from 30 April 2001 a £15 a week premium in addition to Income Support is payable to lone parents who take up approved training for work through the New Deal for Lone Parents (NDLP). The previous training allowance was £10 per week; and
- from 30 April 2001 anyone taking part in NDLP can get help towards registered childcare costs if they start a job of less than 16 hours a week.

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<sup>133</sup> DSS Press Release, *New Personal Advisory Service For Lone Parents Goes Nation Wide*, 30 April 2001

<sup>134</sup> HM Treasury, *Pre-Budget Report 2000*, November 2000, Cm 4917, p76.

<sup>135</sup> HC Deb 24 July 2002 c1550W

<sup>136</sup> DSS Press Release, *New Personal Advisory Service For Lone Parents Goes National Wide*, 30 April 2001

<sup>137</sup> HM Treasury Budget 2002, April 2002, HC 592, p68.

<sup>138</sup> DfEE Press Release, *New Deal for Lone Parents to be extended*, 19 April 1998

The Government continues to develop provision under NDLP. The Budget 2001 “Red Book” announced that the Government will introduce greater training flexibility into NDLP so that lone parents are able to take intensive short work-focused courses, particularly to enable them to acquire standard skills such as basic IT qualifications. There has also been help to enable lone parents to move into self-employment since Autumn 2001. The 2001 Budget also announced that a new advisory and outreach service to provide outreach services for lone parents and partners. The service reaches out to those in isolated communities and to groups that do not generally come into contact with Government agencies.<sup>139 140</sup> £16 million has been made available to the outreach project over two years from April 2002.<sup>141</sup> Budget 2002 also announced that from April 2003 there will be a childcare co-ordinator in every Jobcentre Plus region.<sup>142</sup>

Lone parents who take part in the New Deal are fast tracked for help with in-work benefits and tax credits, and for child maintenance by the Child Support Agency.<sup>143</sup> The Government also intends to extend the Jobseeker’s Grant to provide help with up-front childcare costs when lone parents move into work from benefits.

There is a range of pilot projects as part of the NDLP programme and therefore provision may vary from area to area. These pilots began in Spring 1999 and include mentoring, work experience and training. Budget 2002 announced that following the success of the pilots, a mentoring system would be introduced providing support and advice to lone parents from 2003.<sup>144</sup> The Government has also introduced an In-Work Training Grant in 40 districts. This offers funds of up to £750 to provide training for NDLP participants who enter work. Jobcentres will have details of the available provision locally.

The National Employment Panel has been asked by the Government to consult employers about ways of helping lone parents into employment. A report is due in March 2003.<sup>145</sup>

**Sanctions:** Details of the sanctions regime were set out by Nicholas Brown in the following written answer:

**Ms Buck:** To ask the Secretary of State for Work and Pensions of the lone parents subject to sanctions for non-attendance at compulsory personal adviser meetings, what was the average value of the sanction in terms of lost benefit; how long, on average, the sanctions were applied for; what was the longest period of sanction; how many lone parents subject to suspension had their sanctions reversed and under what circumstances; what analysis has been undertaken of the

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<sup>139</sup> HM Treasury, *Budget 2001*, March 2001, HC 279, p 62.

<sup>140</sup> *Ibid*

<sup>141</sup> DWP Press Release, *Government reaches out to lift families out of benefit dependency*, 15 August 2002. The outreach programme will also target partners of the unemployed.

<sup>142</sup> DWP Press Release, *Budget help for lone parents*, 17 April 2002

<sup>143</sup> DSS Press Release, *Budget Harriet Harman announces New Deal for Lone Parents*, 2 July 1997

<sup>144</sup> DWP Press Release, *Budget help for lone parents*, 17 April 2002.

<sup>145</sup> HM Treasury, *Pre-Budget Report 2002*, November 2002, Cm 5664, p74.

reasons for non-attendance at interview; and what evaluation has been undertaken on the effectiveness and impact of sanctions.

**Mr. Nicholas Brown:** We are giving lone parents more choices and more help than ever before to move off welfare and into work, in return for greater responsibility to consider the help that is on offer. On 30 April 2001 we introduced compulsory Personal Adviser (PA) meetings for lone parents across the country to ensure that they are aware of the help available. In cases where a lone parent is unable to attend a PA meeting, or the lone parent's circumstances mean that the meeting would not be appropriate, then the requirement to take part in the PA meeting can be deferred to a later date or waived completely.

When PA meetings were introduced they were compulsory for all lone parents making a new or repeat claim for Income Support whose youngest child was of school age. From April 2002 these meetings have been extended to all lone parents making new or repeat claims with a youngest child aged three years or over. In addition, since October 2001, any lone parent making a new or repeat claim for benefit at one of our integrated Jobcentre Plus offices is required to take part in a Work Focused Interview, regardless of the age of their youngest child.

Attendance at a PA meeting at the new/repeat claim stage is a condition of entitlement to benefit. If a lone parent chooses not to attend the meeting they will not receive any benefit. For the majority of lone parents who do attend, review meetings are held six months into their claim and then annually while they are still in receipt of Income Support.

At the same time as PA meetings were being introduced for new/repeat claims they also began to be rolled out to lone parents already in receipt of Income Support. During 2001–02 annual PA meetings became compulsory for lone parents in receipt of Income Support with a youngest child aged between 13 and 15 years old. From April 2002, the annual PA meetings were extended to include lone parents with a youngest child over the age of 9.

These lone parents are given up to three pre-notified appointments and if they fail, without good cause, to take part in the PA meeting they are subject to a benefit sanction. This sanction is equivalent to 20 per cent. of the Income Support personal allowance for a single person aged 25 or over (currently £10.74 per week). This sanction remains in force until the lone parent takes part in a PA meeting.

The number of lone parents having their benefit not awarded or sanctioned following non attendance at a PA meeting is in the table:

Lone Parent Personal Adviser Meetings (To June 2002)

|                  | No entering<br>PA meeting<br>Process | No of<br>Adverse<br>decisions<br>made | No of<br>decisions<br>overturned |
|------------------|--------------------------------------|---------------------------------------|----------------------------------|
| New/repeat claim | 131,746                              | 875                                   | 11                               |
| Existing claim   | 83,653                               | 1,665                                 | 81                               |
| At review        | N/A                                  | 191                                   | 4                                |

Adverse decisions can be overturned if the lone parent demonstrates that they had good cause for not attending the meeting. Information on the individual circumstances of the lone parents is not collected centrally.

As the sanctions can be indefinite we are not currently able to give estimates for the average length of these sanctions or the total value of the sanction in terms of lost benefit. Qualitative and case study research into the reasons for non-attendance at PA meetings is planned to start later this year. We plan to publish the findings of the research in spring 2003.<sup>146</sup>

**Statistics and Evaluation:** Statistics on NDLP and Personal Adviser meetings are published on a quarterly basis (in early September, December, March and June) by the DWP and are available on their website.<sup>147</sup> Figures for constituencies are not published. Between October 1988 (when NDLP was fully rolled out nationally) and the end of September 2002, around 468,000 initial NDLP interview had occurred. 87 per cent of those attending initial interview agreed to start on the NDLP caseload. At the end of September 2002, around 84,000 lone parents were participating. Of these, 94 per cent were female, 20 per cent were aged under 25 and 48 per cent had a youngest child under five. Around 167,000 people have found employment through NDLP.

Evaluations of NDLP carried out between 1999 and 2001 were reviewed in report prepared for the DWP.<sup>148</sup> Before the introduction of compulsory personal adviser meetings only five to ten per cent of the eligible population joined NDLP. Now, around 20 per cent of lone parents attending a meeting join the scheme but it is still the case that only a minority of lone parents participate.

There is limited evidence on the destination of leavers but jobs entered tend to be low paid and low skilled. Childcare remains an important issue. The experience of pilots which attempted to integrate childcare into their programmes suggested that it was difficult to do so sufficiently flexibly to meet the needs of those with the highest childcare barriers.

<sup>146</sup> HC Deb 24 July 2002 c1550W

<sup>147</sup> <http://www.dwp.gov.uk/asd/famchild.html>

<sup>148</sup> Martin Evans et al, *New Deal for Lone Parents: First Synthesis Report of the National Evaluation*, DWP Report WAE 116, July 2002.

An article in the Centre for Economic and Social Inclusion's *Working Brief* compared employment policies for lone parents in the UK and US.<sup>149</sup> This found that:

US programmes have been much more successful in moving lone parents off welfare and into work. Many local programmes have provided a greater diversity of training options, have invested more heavily in childcare and have worked with public transport providers to restructure public transport so it reflects the changing times and places people work.

In contrast, through its voluntary approach here NDLP has pioneered a one-to-one system of helping lone parents into work and provides a much more integrated pre and post employment support system than the US. This emphasis means that whilst the US is more effective at moving lone parents into work, the UK is more successful in lifting lone parents families out of poverty through employment. Combining elements from these two approaches could enable both of these objectives to be achieved, providing a better deal for lone parents in both the US and the UK.

### **Further reading**

1. Martin Evans et al, *New Deal for Lone Parents: First Synthesis Report of the National Evaluation*, DWP Report WAE 116, July 2002.
2. "A better deal for lone parents", *Working Brief*, February 2002
3. "Evaluating New Deal for Lone Parents", *Working Brief*, October 2000
4. Chris Hasluck, *The New Deal for Lone Parents - a review of evaluation evidence: a summary of evidence from the monitoring and evaluation of NDLP*, Institute for Employment Research, Employment Service Research and Development Report (ESR) ESR 51, June 2000
5. David Willetts MP and Nicholas Hillman, *A Raw Deal for Lone Parents*, Centre for Policy Studies, June 2000
6. Martin Hamblin, *A Report on lone parent client satisfaction survey: part of evaluation of New Deal for Lone Parents Phase 3*, ESR 39, February 2000
7. Jon Hales et al, *Evaluation of the New Deal for Lone Parents: early lessons from the phase one prototype – findings of surveys*, DSS Research Report 109, January 2000
8. Helen Finch and Mandy Gloyer, *A further look at the evaluation of NDLP phase one data: focus on childcare*, DSS In-house Report 68, January 2000

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<sup>149</sup> "A better deal for lone parents", *Working Brief*, February 2002.

9. Anne Green, *Evaluation of the New Deal for Lone Parents: a comparative analysis of the local study areas*, DSS In-house Report 63, January 2000
10. Helen Finch et al, *New Deal for Lone Parents: learning from prototype areas*, DSS Research Report 92, May 1999
11. Kandy Woodfield and Helen Finch, *New Deal for lone parents: evaluation of innovative schemes*, DSS Research Report 89, April 1999
12. Jon Hales et al, *Evaluation of the New Deal for Lone Parents: a preliminary assessment of the 'counterfactual'*, DSS In-house Report 42, May 1998
13. Education and Employment Committee, *Pathways into work for lone parents*, 28 July 1998, HC 646 1997-98

## J. Employment Zones

Employment Zones (EZ) are designated areas of high unemployment in which EZ contractors have been given the flexibility to use existing training and social security funds to provide innovative schemes to help long-term unemployed people to return to work. There are currently fifteen zones which offer a range of provision to people aged over 25 who have been unemployed for either 12 or 18 months depending on the area. Employment Zones offer personal job accounts which enable participants and their advisers to use funds in different ways based on individual circumstances.

The Labour Party discussed the idea of using a combination of benefit and training money more flexibly in one of its *Road to the Manifesto* documents in 1996. This document proposed a "new approach which brings resources for jobs and benefits closer to the communities they exist to serve".<sup>150</sup> It went on to outline how the new approach would work:

We will launch a specific pilot scheme to make flexible local use of benefit and training money. This will allow local decision-makers flexible use of resources for benefits, training and special employment measures for individual claimants. For each claimant a nominal figure - equivalent to the expected expenditure on government training schemes and benefit income for people in their circumstances - will be "given over" to case managers to be used in agreement with the individual in the best way to promote their job prospects. Money may be spent on further education or training, support services, incentives to employers, job search expenses, or whatever is in the best interests of the individual concerned. The aim must always be to assist in the most effective way possible the transition into employment.<sup>151</sup>

This proposal to set up pilot schemes, to be known as Employment Zones, was included in the Labour Party's manifesto for the 1997 General Election:

We favour initiatives with new combinations of available benefits to suit individual circumstances. In new and innovative 'Employment Zones', personal job accounts will combine money currently available for benefits and training, to offer the unemployed new options - leading to work and independence. We will co-ordinate benefits, employment and career services, and utilise new technology to improve their quality and efficiency.<sup>152</sup>

In a press release on 15 September 1997, Andrew Smith, then Minister of State at the DfEE, said:

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<sup>150</sup> Labour Party, *Getting welfare to work: a new vision for social security*, 1996, p4

<sup>151</sup> Ibid

<sup>152</sup> *New Labour because Britain deserves better*, Labour's manifesto for the 1997 General Election, p 19

Concentrated areas of unemployment still corrode some communities even though headline unemployment is falling. That is why we said in our manifesto that we would create Employment Zones, targeting help to those who need it most. I am today inviting the communities in eight areas to draw up action plans to become the first Employment Zones, pioneering a new approach to tackling unemployment.

In Employment Zones, new help for long-term unemployed people will be designed by local partnerships of organisations from the public, private and voluntary sectors. All bids must include plans for:

- Learning for Work - training and education to improve employability;
- Business Enterprise - help with moving from welfare into self-employment;
- Neighbourhood Match - doing work which benefits the wider community.

But beyond these three core strands, we want to see innovative pathways into sustainable work. For example an unemployed person might be given help gaining a specific qualification or certificate, a grant or loan for equipment or clothing, or training in skills that local employers need. Employment Zones will give communities the flexibility to devise local solutions which best meet local needs. They will have our full support: not least in the £33 million earmarked between February 1998 and April 1999.<sup>153</sup>

Five prototype Zones ran from February 1998 to April 2000 in Glasgow, North Wales, South Teeside, Liverpool and Plymouth. Provision in these areas included variants on the three options outlined in Andrew Smith's original press release. Participation was voluntary and the Zones operated within existing legislation which limited the way budgets could be used.

Section 60 of the *Welfare Reform and Pensions Act 1999* provided for "fully fledged" Employment Zones. The purpose of the primary legislation is set out in the Government's Explanatory Notes on the Act:

- First, Employment Zones are concentrated on specific areas of high long term unemployment; yet existing legislation limited the Secretary of State's powers to offer different types of service in different areas;
- Second, a key feature of Employment Zones not available in the prototypes is the "Personal Job Account". This will be an account set up for individual participants in the Zone, which will allow them to anticipate up to six months' worth of spending on training and jobsearch - with the aim of getting them back to work more quickly. It will combine funding equal to the payments

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<sup>153</sup> DfEE Press Release, *Employment zones: new help from welfare to work*, 15 September 1997

that they would normally receive from JSA, with money for training and jobsearch.

- Third, legislation is required so that, when people do not participate in an Employment Zone, without good cause, their JSA payments could be withheld.<sup>154</sup>

Fifteen Employment Zones started in April and May 2000. To be eligible for Employment Zone provision, claimants must be over the age of 25, live in one of the 15 designated areas and have been unemployed for the designated period. The zones for those out of work and claiming JSA for 12 months are in Southwark; Nottingham City; Newham; Haringey; Doncaster; Birmingham; Plymouth; and Heads of the Valleys and Caerphilly<sup>155</sup>. The zones for those out of work and claiming JSA for eighteen months are in Tower Hamlets; Brent; Liverpool and Sefton; Brighton and Hove; Middlesbrough, Redcar and Cleveland; Caerphilly, Blaenau Gwent and Merthyr Tydfil; North West Wales; and Glasgow. The boundaries of each zone are set out in regulations made under the *Welfare Reform and Pensions Act 1999*.<sup>156</sup> An Employment Zone programme is a designated programme under regulation 75 of the *Jobseeker's Allowance Regulations 1996* and therefore participation is compulsory.

Guidance sent out to organisations bidding for Employment Zone contracts from April 2000 provided details of how they would operate.<sup>157</sup> There are two stages to Employment Zone provision. In the first stage, which can last up to thirteen weeks, participants continue to receive JSA and the contractor will provide initial support to the claimant to find work. Contractors receive a payment for each participant beginning the first stage. If the claimant remains unemployed at the end of this stage, s/he moves on to stage two known as the Personal Job Account (PJA).

Each participant will have a PJA in which the providing organisation will put a sum of money to cover their maintenance (the subsistence) and the cost of any help they require. This account will be funded by the money provided up front together with, as it flows in, the income earned from outputs. It is up to each organisation to decide how much to put in each PJA. However, participants must not be financially worse off than they were when claiming JSA. Participants also receive a small fortnightly payment from the Benefits Agency, equivalent to 50 pence per week, which will trigger passported benefits such as Housing Benefit. During the second stage, participants agree an action plan with an adviser and have a say in how the funds in the account are spent. The support available during this period will vary according to the needs of the individual and may

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<sup>154</sup> DSS, *Explanatory Notes: Welfare Reform and Pensions Act 1999*, 1999, p 127

<sup>155</sup> Heads of the Valleys and Caerphilly changed from an 18 month zone to a 12 month zone from August 2000. Source: DWP Press Release *Employment Zones: statistics to end December 2001* 28 March 2002.

<sup>156</sup> *The Employment Zones Regulations 2000*, SI 2000/721

<sup>157</sup> DfEE, *Bidding for Employment Zones: invitation to tender*, 1999

include, for example, grants and loans for clothing and equipment, and money for training and achieving professional registration as a pre-requisite for employment.

After a bidding process, the DfEE awarded contracts to deliver Employment Zone provision in the fifteen areas. A consortium, Working Links, made up of the Employment Service, Ernst and Young and Manpower plc won seven of the first 11 contracts awarded. These operate in Plymouth, Southwark, Tower Hamlets, Brent, Brighton and Hove, Glasgow, and the Heads of the Valley and Caerphilly and began on 3 April 2000. Four other Zones started on the same date. Reed in Partnership runs zones in Haringey, Newham and Liverpool and Sefton. The Birmingham Zone is run by Pertemps.

The DfEE initially failed to find satisfactory bidders in the four remaining Zones. Following a second bidding round, the DfEE awarded contracts to Reed in Partnership in Doncaster; Working Links in Middlesbrough, Redcar and Cleveland; the Nottingham Employment Zone Partnership in Nottingham; and the North West Wales Partnership in North West Wales. These final Zones started in May 2000. The contracts offer a complicated system of funding largely based on outputs. The funding system rewards contractors for helping jobseekers into sustainable jobs.

The Zones were originally to operate under contract until the end of March 2002 with a final recruitment intake of participants in June 2001.<sup>158</sup> However, Nicholas Brown, Minister for Work, has announced an extension of their contracts until March 2004.<sup>159</sup>

The 2002 Spending Review announced that the EZ approach will be extended to those who would otherwise return to the New Deal for a second time in existing EZ areas from October 2003.<sup>160</sup> From April 2004, the Government intends to introduce multiple EZ providers in the largest EZ areas.<sup>161</sup> Lone parents in existing EZ areas will also become eligible for EZ provision from October 2003.<sup>162</sup>

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<sup>158</sup> Ibid, p4

<sup>159</sup> HC Dec 4 March 2002 c19W

<sup>160</sup> HM Treasury, *Pre-Budget Report 2002*, November 2002, Cm 5664, p68

<sup>161</sup> Ibid

<sup>162</sup> Ibid

**Cost and Numbers:** DWP publishes statistics on Employment Zones every six months (March and September). The most recent figures cover the period to end-June 2002 and are available on the DWP website.<sup>163</sup> The September 2002 Press Release summarises the key points:

- 65,900 people started on an Employment Zone between April 2000 when the Zones started and June 2002. 84 per cent of entrants were male, 71 per cent were white and 19 per cent were recorded as having a disability;
- 9,100 people returned to an Employment Zone for a repeat spell between July 2001 and June 2002. These people were older on average than those starting for the first time and had longer unemployment durations;
- On 30 June 2002 there were 24,900 participants on Employment Zones, of whom 6,500 were returning for a repeat spell;
- 25,700 Employment Zone participants entered employment between April 2000 and June 2002, of whom 1,600 entered employment from a repeat spell on an Employment Zone. 18,700 of those gaining employment were in sustained work for 13 weeks or more;
- Focusing on the cohort of people who entered an Employment Zone between July 2000 and June 2001 gives a more complete picture of the percentage sustaining work as these people will have had time to progress through the programme. Of the 42,100 people in this cohort, 39 per cent had moved into employment by the end of June 2002, of which 82 per cent of jobs were sustained for 13 weeks or more.<sup>164</sup>

Information on the cost of Employment Zones is contained in the following written answer:

**Mr. Clappison:** To ask the Secretary of State for Work and Pensions how much has been (a) budgeted and (b) spent on the Employment Zone scheme in each year since its introduction; and how much of the allocation in each year went into personal job accounts.

**Mr. Nicholas Brown:** The Department does not receive information from contractors on the specific amounts spent on personal job accounts. This is because funding for the personal job account is drawn from the overall payments made to the contractors. Expenditure on personal job accounts by contractors varies according to the needs of each participant.

In the financial year April 2000–March 2001, the Employment Zone budget was £56,374,000 and the spend was £71,950,885.

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<sup>163</sup> [http://www.dwp.gov.uk/asd/emp\\_zones/Sept2002/ezsep02.pdf](http://www.dwp.gov.uk/asd/emp_zones/Sept2002/ezsep02.pdf)

<sup>164</sup> DWP Press Release, *Employment Zones National Statistics*, 26 September 2002.

For the financial year April 2001–March 2002 the budget was £87,026,000. Forecast expenditure will be published in the Departmental Report in May.

Reasons for the differences between the spend on Employment Zones and budget include better than anticipated performance by Zone contractors and more participants entering the programme earlier than forecast.

The budget for 2001–02 includes funding for those who joined Employment Zones during the year and have not yet completed Steps 1 and 2.<sup>165</sup>

**Evaluation:** Evaluation of Employment Zones was described in the following written answer:

**Mr. Love:** To ask the Secretary of State for Work and Pensions what the terms of reference are of the current evaluation of employment zones; when the evaluation will be completed; and if he will make a statement.

**Mr. Nicholas Brown:** The terms of reference of the current evaluation of Employment Zones are to assess the contribution of Zones to helping long-term claimants of Jobseeker's Allowance aged 25 and over find and retain jobs.

The current evaluation will be completed with the publication in May 2003 of a cohort study comparing characteristics and outcomes of Zone participants with those of similar long-term unemployed people.

Our evaluation to date shows that Employment Zones are making a positive contribution in helping long-term unemployed people in deprived areas move off benefit and into work. The 15 Zones have already helped over 23,600 people into jobs. We have recently extended the current Zone contracts to March 2004 and we will also be testing the Employment Zone approach with other groups such as lone parents and people returning to the New Deals.

A qualitative study of Zone operations between winter 2000 and summer 2001 was published on 17 July 2002 (Working Age Evaluation Series, Number 124). A copy is available in the Library. The report highlights some encouraging findings about the Zones, recognising, for example, that they have a genuinely innovative delivery system and underlining the importance of the flexibility afforded to Personal Advisers in helping people move into jobs. We will study the report's findings closely and consider what lessons can be learnt from the Employment Zone approach.<sup>166</sup>

An article in the Financial Times commented on the success of Employment Zones<sup>167</sup>:

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<sup>165</sup> HC Deb 10 May 2002 c367W

<sup>166</sup> HC Deb 24 July 2002 cc1593-94W

<sup>167</sup> "Labour's New Deal confronts its darkest days", *Financial Times*, 22 October 2001

The Zones are a more recent creation than the New Deal and academic assessment of them is not yet available. But the early evidence is that they work better. They are not only finding jobs for about half the people they help - at a rate about twice that for most welfare-to-work programmes - but are also keeping them there longer.

Employment Zones have been the subject of a DWP report.<sup>168</sup> Employment Zone managers, Employment Service district managers and Employment Zone personal advisers were interviewed in all 15 zones. Interviews were also carried out with clients, employers and other local bodies such as voluntary groups and local authorities in seven case study areas. This study concluded that many of those interviewed felt that the Employment Zone approach was successful in serving jobseekers for whom more traditional measures had often not worked. They did, however, struggle with the very hardest to help clients. Nevertheless they provide a “significant addition” to the range of measures available to tackle the problem of long-term unemployment.

### **Further reading**

1. Andy Hirst et al, *Qualitative Evaluation of Employment Zones: A Study of Local Delivery Agents and Area Case Studies*, DWP Report WAE 124, July 2002.

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<sup>168</sup> Andy Hirst et al, *Qualitative Evaluation of Employment Zones: A Study of Local Delivery Agents and Area Case Studies*, DWP Report WAE 124, July 2002.

## K. Action Teams for Jobs

Action Teams aim to increase employment rates among disadvantaged groups in deprived areas. They were introduced partly as a response to a report by the Policy Action Team on Jobs.<sup>169</sup> The report drew attention to concentrations of unemployment and economically inactive people in disadvantaged areas and among particular groups in the labour market. Particular problems facing the unemployed in finding work include:

- skills;
- racial discrimination;
- accessing existing provision for the unemployed;
- perception that person will be worse-off in work.<sup>170</sup>

Action Teams were announced in the 2000 Budget:

**Action Teams will be set up in 20 of Britain's communities with the highest unemployment and lowest employment, along with additional support in the 15 Employment Zone areas. They will have access to a £40 million fund to work with long-term unemployed people in the most deprived areas, to identify suitable vacancies in neighbouring areas and to bring the two together.** These Action Teams, bringing together the Employment Service and private and voluntary sectors, will use this additional funding to tackle barriers to employment, including funding for transport to enable people to access nearby vacancies. The Action Teams will operate initially for one year from autumn 2000 and will be extended on the basis of their effectiveness at getting people into work.<sup>171</sup>

Pathfinder Action Teams in Thanet, East Ayrshire and Hartlepool started in June 2000 and a further 37 started in mid-October 2000. These initial areas were selected as they had low working-age employment rates, high claimant counts, a high percentage of people from ethnic minorities and were Objective 1 areas. The number of Action Teams was increased to 53<sup>172</sup> in October 2001 and to 63 in January 2002.<sup>173</sup> 38 of the 63 Action Teams are led by Jobcentre Plus. The other 25 are led by the private sector, including

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<sup>169</sup> DfEE, *National Strategy for Neighbourhood Renewal, Jobs for all* (Report of the Policy Action Team on Jobs) December 1999

<sup>170</sup> ECOTEC Research and Consulting: *Evaluation of Action Teams for Jobs*, Employment Service Report WAE114 April 2002

<sup>171</sup> HM Treasury, *Budget 2000*, March 2000, HC 346 para 4.28

<sup>172</sup> HC Deb 10 December 2001 c609W

<sup>173</sup> DWP Press Release: *Action Teams for Jobs: A Great First Year and more new teams – Nick Brown*, 7 January 2002.

Reed and Working Links. Details on each area are available on the Action Teams website.<sup>174</sup> Action Teams operate in all the Employment Zone areas.

**Details:** The role of Action Teams was described in a document published by the Treasury and DWP at the time of the 2001 Pre-Budget Report:

[Action Teams] ... set out to improve the employability of those living in ... disadvantaged areas by:

- Working closely with employers;
- Using funding in more imaginative and innovative ways to overcome specific local barriers;
- Targeting areas and groups which need help the most, including ethnic minorities; and
- Working in partnership with private and voluntary sector organizations.

Action Teams concentrate their resources on working with the long-term unemployed and economically inactive, searching for suitable vacancies and bringing the two together. Action Teams also tackle directly some of the principal barriers to employment, including providing funding for transport to enable people to take up nearby vacancies, which would otherwise remain inaccessible.<sup>175</sup>

Local flexibility is an important part of Action Teams. The Evaluation of Action Teams commented:

The emphasis on local discretion and devising local solutions has been a key characteristic of the initiative. As anticipated, it has led to a variety of approaches to implementation being adopted.<sup>176</sup>

One of the main objectives of Action Teams is to improve access to employment services as some unemployed people might be unwilling or unable to access existing services. Action Teams have thus developed “outreach” services in locations such as community centres, libraries and shopping centres.<sup>177</sup> Some outreach facilities are used to target particular groups. For example, Thanet Action Team shares accommodation with refugee support services.<sup>178</sup> Mobile services are used in rural areas such as West Wales and the

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<sup>174</sup> <http://www2.dwp.gov.uk/actionteams/>

<sup>175</sup> HM Treasury and DWP, *The changing welfare state: employment opportunity for all*, November 2001 paras 4.18 and 4.19

<sup>176</sup> ECOTEC Research and Consulting: *Evaluation of Action Teams for Jobs* Employment Service Report WAE114, April 2002

<sup>177</sup> Ibid

<sup>178</sup> Ibid

Valleys. A survey of those helped by Action Teams found that the majority of clients preferred to access the Action Team in their neighbourhood than travel to the Jobcentre.

Clients' requirements are assessed in a more informal manner than other types of Jobcentre Plus assistance. Once the extent of clients needs is established, a variety of services are provided by Action Teams. These include:

- Advice and guidance on job-search;
- Support to overcome financial barriers to work, such as childcare costs;
- Help with travelling to work, including provision of travel cards,, taxis, bicycles/mopeds and providing finance to help make cars roadworthy; and
- Various types of training.<sup>179</sup>

The characteristics of those using Action Team services as found by Ecotec's Evaluation Report were as follows:

- Two thirds were men;
- More than half were aged 18-34;
- 70 per cent were white;
- more than half were claiming Jobseeker's Allowance when first meeting the Action Team and 27 per cent were not claiming any benefit; and
- the most common form of disadvantage was postcode. Ethnicity, health problems and disabilities were also barriers to work.<sup>180</sup>

Action Teams performance is assessed against three yardsticks:

- Increasing the employment rate among people of working age;
- Achieving a clear improvement in the labour market position of the groups identified as disadvantaged (through employment and unemployment rates); and

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<sup>179</sup> Ibid

<sup>180</sup> Ibid

- Increasing the number in sustained employment through the efforts of the team.

**Costs and Numbers:** Information on the numbers helped into work by Action Teams and the cost of the programme were given in the following written answer:

**Mr. Cousins:** To ask the Secretary of State for Work and Pensions what the budgets were for each Employment Action Team in the last five years; and what the outturn expenditure was to April.

**Mr. Nicholas Brown** [*holding answer 26 November 2002*]: Action Teams for Jobs were launched in October 2000 and have so far helped over 50,000 people into work. Forty teams were in operation in the first, pilot year. In 2001, the initiative was expanded and the number of Teams increased to 63.

Information on the total budget and spend for the initiative in the last two financial years (April to March) is in the table.

| <b>£ million</b> |                     |                    |
|------------------|---------------------|--------------------|
| <b>Year</b>      | <b>Total budget</b> | <b>Total Spend</b> |
| 2000-01          | 20                  | 10                 |
| 2001-02          | 50                  | 60                 |

*Notes:*

All figures are rounded to nearest £10 million. All figures include the cost of administering the Action Team initiative. The 2001-02 spend figure is forecast expenditure.

*Source:*

Jobcentre Plus

Information on the budgets for each Action Team has been placed in the Library, and is available on the Action Teams website, [www.dwp.gov.uk/actionteams](http://www.dwp.gov.uk/actionteams).

Information on the out-turn of individual Jobcentre Plus led Action Teams is not separately available. Out-turn figures for the contractor led Teams cannot be published because they are commercially confidential.<sup>181</sup>

**Evaluation:** The performance of Action Teams was assessed in a report prepared for the Employment Service by Ecotec.<sup>182</sup> This research relates to the first year of their operation.

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<sup>181</sup> HC Deb 11 December 2002 c374W

Some of the main findings were as follows:

- Action Teams placed 15,000 people into work, from a total of 39,000 clients, although many were not in the hardest to help groups;
- Many of those who found work had been out of work for less than six months and/or were claiming JSA. Fewer clients on inactive benefits, out of work for longer or facing multiple barriers to labour-market participation found work; and
- Surveys suggest that around 80 per cent of clients finding work remained in their Action Team job for least three months.

### **Further reading**

1. ECOTEC Research and Consulting: *Evaluation of Action Teams for Jobs* Employment Service Report WAE 114, April 2002

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<sup>182</sup> ECOTEC Research and Consulting: *Evaluation of Action Teams for Jobs* Employment Service Report WAE 114, April 2002

## L. Programme Centres, Jobclubs and Jobplan Workshops

These schemes provide training and individual guidance in jobsearch techniques, including telephone and interview skills and preparation of a CV. Programme Centres have now largely replaced Jobclubs and Jobplan Workshops. Jobplan Workshops no longer exist and while Jobclubs still exist in the North West, they are very similar to Programme Centres.

**Announced:** Jobclubs were announced on a pilot basis in Durham and Middlesbrough in November 1984. The number grew during 1985/86 and a major expansion was announced by Lord Young, then Secretary of State for Employment, on 9 October 1986.<sup>183</sup> On 12 November 1992, at the time of the Autumn Statement, Gillian Shephard, then Secretary of State for Employment, announced details of new Jobplan Workshops which would offer advice and intensive support to people unemployed for a year or more.<sup>184</sup>

There was no official announcement of the Programme Centre pilots. In April 1998, Leigh Lewis, Chief Executive of the Employment Service, outlined the proposal in a letter to Steve Webb MP in response to a parliamentary question on Jobclub provision:

In some areas we have also been looking at the advantages of combining some of our programmes, such as Jobclub and Jobplan, and delivering them through Programme Centres, which provide a one-stop shop with greater scope for the more efficient use of resources and individual packages of help for people.

The funding allocated to Jobclubs and Programme Centres reflects the likely demand among those people aged 25 and over who have been unemployed for six months or more. This takes account of the fact that many young people who might previously have depended on this provision will now be able to take advantage instead of the much more extensive extra help provided by New Deal.

My district managers have recently undertaken a consultation exercise with local New Deal partners with regard to our mainstream programmes, to determine which types of provision will be most effective to meet the needs of each locality. Where local partnerships decide that Jobclub or Programme Centre places should form part of the New Deal Gateway, they can purchase additional places on these programmes using New Deal funding.<sup>185</sup>

Programme Centres were piloted in eight locations throughout Great Britain during 1997/98.<sup>186</sup> They have operated nationally since April 1998 when "around 85% of ES districts decided to move to Programme Centre provision".<sup>187</sup>

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<sup>183</sup> Department of Employment Press Release, *New Help for Six Months Unemployed*, 9 October 1986

<sup>184</sup> HC Deb 12 November 1992 c904W

<sup>185</sup> HC Deb 7 April 1998 c226W

<sup>186</sup> DfEE Press Release, *New Government initiative gets more people off benefit*, 11 November 1998

<sup>187</sup> DfEE, *Departmental Report – the Government's Expenditure Plans 1999-00 to 2001-02*, March 1999, Cm 4202, p133

**Eligibility:** Support is generally available for those unemployed for six months or more, although certain other eligibility criteria also apply. Help is available for people experiencing difficulty in returning to work after 13 weeks of unemployment at the discretion of ES advisers who will identify those clients who most need this kind of help.<sup>188</sup> The *Social Security Jobseeker's Allowance (Amendment)(No 2) Regulations 1998* amended regulation 75 of the main Jobseeker's Allowance regulations to include Programme Centres as an Employment Programme from 1 December 1998.<sup>189</sup> This allows for compulsory referrals to Programme Centres by ES advisers.

**Details:** Programme Centres are delivered by external organisations contracted to Jobcentre Plus. Programme Centres provide individual modules covering aspects of jobsearch such as telephone techniques, CV preparation and setting job goals. Claimants agree a set of modules with their personal advisers and these are to be tailored to the individual's needs. Each Programme Centre has a resource area where eligible participants can apply for jobs and have access to telephones, word processors and stationery.

### Further Reading

1. Michael White, Steve Lissenburgh and Alex Bryson, *The Impact of Public Job Placing Programmes*, Policy Studies Institute, 1997
2. "Modular jobsearch programmes being piloted", *Working Brief*, August/September 1997
3. Martin Hamblin Research, *A final report on the evaluation of Programme Centres*, Employment Service, October 1998

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<sup>188</sup> HC Deb 17 December 1998 cc678-9W

<sup>189</sup> SI 1998/1698 - these regulations also abolish Jobfinder and 1-2-1

## M. Travel to Interview Scheme

The Travel to Interview Scheme (TIS) assists unemployed people to attend job interviews that are beyond normal daily travelling distance. It replaced the Job Search Scheme, the Employment Transfer Scheme and the Free Forward Fares Scheme in 1986.

**Announced:** On a national basis, 13 June 1986, by the Manpower Services Commission:

More people will get financial help with travel costs incurred when going to job interviews, the Manpower Services Commission announced today.

A new scheme - the Travel to Interview Scheme - starts on Monday 16 June following a successful 'pilot' in the Northern Region during the past year where it was found to be a simpler scheme to operate and a more cost effective way of helping people in their search for work. It is anticipated that some 18,000 people will take advantage of the nationwide scheme.

Designed to help unemployed people with the costs of attending job interviews outside their home areas, the £500,000 Scheme replaces the Job Search Scheme and the main differences in the rules are:

- the local labour market rule will no longer apply as the new scheme is not tied to filling skill shortage vacancies;
- assistance is limited to people who have been unemployed for at least four weeks before the date of the job offer;
- no subsistence rates are paid.<sup>190</sup>

**Started:** 16 June 1986, following a pilot in the Northern region.

**Eligibility:** The eligibility criteria were changed in April 2001 so that the scheme is available from the first day of unemployment for JSA claimants.<sup>191</sup> Previously (from 1 April 1996) the scheme was available to people who had been unemployed for 13 weeks or more and claiming benefit. Before that, the qualifying period of unemployment was 4 weeks. In 1998, help was extended to include immediate help for victims of large-scale redundancies.<sup>192</sup> Jobcentre Plus will pay travel expenses for those who are invited to interview by employers beyond normal daily travelling distance as defined by the local Jobcentre. From June 2001, Jobcentre Plus Personal Advisers have the discretion to make payments for travel to local interviews where the cost is greater than £4.<sup>193</sup> Claims for travel expenses must be made in advance. The job should be for more than 30 hours a week and

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<sup>190</sup> MSC Press Release, *More cash available for jobhunters*, 13 June 1986

<sup>191</sup> Clare Johnson et al, *Evaluation of Travel to Interview Scheme (TIS) Pilots*, Employment Service Research and Development Report ESR93, October 2001.

<sup>192</sup> DfEE, *Departmental Report – the Government's Expenditure Plans 1999-00 to 2001-02*, March 1999, Cm 4202, p 134

<sup>193</sup> HC Deb 11 July 2002 c1145W

expected to last for 12 months or more but "a more realistic interpretation" of this condition will now be adopted. Assistance can now be given for second and subsequent interviews. There used to be an upper salary limit of £25,000 on the job applied for, but this was removed in 1996.<sup>194</sup>

Under a scheme launched in May 1998, those on various New Deal programmes are entitled to half price rail fares. This scheme, which complements TIS, was originally only open to those on NDYP and ND25+. Nick Brown, Minister for Work, announced in November 2002 that the scheme would be extended to those on ND50+, NDLP and NDDP.<sup>195</sup> New Deal photocards allow half price rail travel in England and Wales and tubes and buses in London.<sup>196</sup> The card can be used to look for work while on the New Deal and for the first three months of travelling to a new job. The card is issued through Jobcentre Plus offices.

In May 2000, the DfEE announced a pilot scheme that will extend eligibility:

Improvements to the current travel to interview scheme are being tested with a view to providing more help to those who are in the most financial need. The pilot programmes will boost the travel to interview scheme by:

- allowing interviews for jobs lasting at least six months including temporary or seasonal jobs
- covering the cost of local travel to interviews
- covering the cost of travelling to written or extra tests or pre-job training which links directly to employment
- including interviews which result from an application to take up a franchising opportunity

The pilots began on 3 April 2000, and will run for six months in two districts in two regions, covering both inner-city and rural locations. Participating districts are Gateshead and South Tyneside and Northumberland in Northern Region, and North Birmingham and Shropshire in West Midlands region.<sup>197</sup>

Jobseekers were not eligible for this extra support until they reached six months of unemployment.

**Evaluation:** The pilots were evaluated to see whether there was a case for introducing the changes on a wider basis.<sup>198</sup> This research found that Employment Service staff and

<sup>194</sup> HC Deb 20 February 1996 c 121W

<sup>195</sup> DWP Press Release, *More Jobseekers to get half price rail fares*, 6 November 2002.

<sup>196</sup> A separate but similar scheme operates in Scotland.

<sup>197</sup> DfEE Press Release, *Double travel boost to help jobseekers find work*, 17 May 2000

<sup>198</sup> Clare Johnson et al, *Evaluation of Travel to Interview Scheme (TIS) Pilots*, Employment Service Research and Development Report ESR93, October 2001.

jobseekers both viewed TIS positively. Employment Service staff welcomed the wider eligibility criteria of the pilots as it gave them greater flexibility. There was a 53 per cent increase in TIS applications during the pilot. The majority of applications were for jobs lasting six months or more. Overall, the research supported national roll out of the pilots.

### **Further Reading**

1. C Bryson, *Travel to Interview Scheme*, Public Attitudes Survey for the Employment Service, July 1995
2. Clare Johnson et al, *Evaluation of Travel to Interview Scheme (TIS) Pilots*, Employment Service Research and Development Report ESR 93 October 2001

## **N. Work Trials**

A programme aimed at people who are over 18 and have been unemployed for six months or more. They can continue to receive benefit plus an allowance for travel and meal expenses during a three-week trial period in a new job.

**Announced:** Originally, as part of the Job Interview Guarantee Scheme, on 9 March 1989. It was launched as a separate scheme in April 1993.

**Details:** A trial period of up to 15 days during which both parties (employer and employee) can determine how suitable they are to each other's needs. Benefit continues to be paid during the trial period. In addition, meal and travel expenses up to a limit, are covered.

## O. Job Grant

**Announced:** The Chancellor announced the replacement of Jobfinder's Grant and Jobmatch by the Job Grant in Budget 2000.<sup>199</sup>

**Started:** April 2001

**Details** The Chancellor set out the details in the 2000 Budget:

The Government will introduce from spring 2001, a Job Grant of £100 for people who move from welfare into work. This builds on the Income Support run-on for lone parents announced in Budget 99 which lone parents will continue to receive. All others who move into work of more than 16 hours a week, expected to last 5 weeks or more, and who have been claiming Jobseekers' Allowance, Income Support, Severe Disablement Allowance or Incapacity Benefit for at least 52 weeks will be eligible. The Job Grant will replace the discretionary and narrowly-targeted Jobfinder's Grant and Jobmatch, providing a single transitional payment, available much more widely, and without the complex eligibility criteria of previous schemes.<sup>200</sup>

The 2002 Pre-Budget Report extended eligibility for the Job Grant and introduced a rate of £250 for households with children:

From October 2004, the Job Grant will be available to those who move into work following six months on Incapacity Benefit or Income Support, including lone parents, or, for those aged 25 and over, Jobseeker's Allowance. As at present, Jobseeker's Allowance claimants aged between 18 and 24 will receive intensive support through NDYP, rather than be eligible for the Job Grant. These enhanced arrangements will replace the Back to Work Bonus and the lone parent Income Support run-on. They will also be complemented by further changes to additional sources of financial support, including an immediate **extension of access to the Adviser Discretionary Fund to all those who have been claiming benefits for six months or more when they return to work, to meet essential costs.**<sup>201</sup>

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<sup>199</sup> Jobfinder's Grant was described in Section N of Research Paper 00/81 *Employment and Training Schemes for the unemployed*.

<sup>200</sup> HM Treasury, *Budget 2000*, March 2000, HC346, para 4.42

<sup>201</sup> HM Treasury, *Pre-Budget Report 2002*, November 2002, Cm 5664, p82

## P. Jobfinder Plus

A series of one-to-one interviews with a personal adviser to identify the best means of helping claimants move to sustainable employment.

**Announced:** There was no specific announcement of the Jobfinder Plus programme. Brief details and the date of introduction were included in the DfEE departmental report for 1998-99. This explained that Jobfinder Plus replaced the Jobfinder advisory caseload programmes and 1-2-1 from June 1998.<sup>202</sup>

**Started:** 29 June 1998

**Eligibility:** Unemployed people aged 25 and over who have been unemployed for more than eighteen months. There is no early or voluntary access for any group. Jobfinder Plus is not open to those who move on to the New Deal 25+, those participating in an Employment Zone or those who go onto WBLA straight from a Restart interview.<sup>203</sup>

**Details:** Jobfinder Plus is a one off series of mandatory interviews with an adviser. It is intended to offer a transition to the New Deal for the Long-Term Unemployed if the claimant remains unemployed six months later. The interviews are intended to help:

- identify realistic and achievable goals;
- identify and agree actions to improve potential linked to job goals; and
- provide continuing support, mentoring and guidance.

In April 1999 it was extended to include those who have left the WBLA scheme without a job or further education place, and again in April 2000 to include those who have not yet completed their WBLA placement.<sup>204</sup>

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<sup>202</sup> DfEE, *Departmental Report – the Government’s Expenditure Plans 1998-1999*, April 1998, Cm 3910, p 105

<sup>203</sup> Balbir Chatrik et al, *Unemployment & Training Rights Handbook*, 1999, p 250

<sup>204</sup> Source: official at the DfEE

## Q. Retention and advancement pilots

Retaining a job can be particularly difficult for those who have recently moved off benefits and into work. The Government is piloting a programme which aims to promote employment retention.

**Announced:** Budget 2001.

**Detail:** The Pre-Budget Report 2002 gave further details:

Budget 2001 announced a demonstration project to explore how best to improve employment retention and advancement among low paid workers and those moving off welfare. The design phase of the project, drawing on UK and international expertise, is now complete, and **the Government will now pilot new measures, including one-to-one support from a dedicated Advancement Support Adviser, and financial incentives to encourage employment retention and skills accumulation, in six areas from October 2003.** The pilots will test the effectiveness of these measures in improving employment retention and advancement for those joining ND25+ and NDLP, as well as lone parents in receipt of the Working Tax Credit working less than 30 hours a week.<sup>205</sup>

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<sup>205</sup> HM Treasury, *Pre-Budget Report 2002*, November 2002, Cm 5664, p82.

## R. StepUP

StepUP is a new scheme which aims to help disadvantaged jobseekers by providing them with a guaranteed job for up to a year.

**Announced:** 28 November 2001

**Started:** May 2002 in six pilot areas with high unemployment lying close to areas with high numbers of vacancies.

**Eligibility:** The programme will be compulsory for those living in selected wards in the areas covered by StepUP who are:

- Claiming JSA
- Have participated in NDYP or ND25+ and
- Remain out of work six months after completing their activity period.

The scheme will be voluntary for Income Support claimants seeking work for 24 of the previous 30 months and for those over the age of 50 who participated in ND25+ and who remain out of work six months after completing their New Deal activity.<sup>206</sup>

**Details:** Details were set out by Alistair Darling, the then Secretary of State for Work and Pensions, when he announced the scheme in a debate on 28 November 2001.

Today, I can announce a further measure that will build on the new deal to help long-term unemployed people who need more intensive help to get into work.

We will guarantee those people who qualify a full-time job, lasting up to a year, and paid at the national minimum wage. They will have the same employment rights, and they will be entitled to the same in-work benefits, as anyone else. In return, it is not unreasonable to require people to take up that opportunity. We aim to give people a choice of job, but they will not be able to turn down all offers and remain on benefit.

We will start that approach in six places from April next year, in areas in Sheffield, Cardiff, Oldham, Sunderland, Lambeth and east Ayrshire. We will follow those with a second group over the summer, covering areas in Leeds, south Manchester, Sandwell, Bristol and Greenwich. In the autumn, we will start further pilots in Hackney, Great Yarmouth, Knowsley, Rotherham and Coventry, with provision starting by the end of the year in Burnley, Wrexham, Dundee and Bradford. I will be writing to hon. Members who represent the constituencies involved to ask them to become involved in the new project.

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<sup>206</sup> DWP Press Release, *Stepping Stones To Jobs for Long Term Unemployed*, 8 May 2002.

We will pay for those jobs, working in partnership with employers, local authorities and organisations with experience in offering intermediate labour market opportunities. It is an investment of more than £40 million over two years to equip 5,000 people who are currently long-term unemployed with the skills, the support and the experience of work they need as a stepping stone to jobs in the local labour market.<sup>207</sup>

**Comment:** The programme was discussed in a recent article in *Working Brief*.<sup>208</sup> According to this article, many people who face multiple barriers to work, such as little work experience or a criminal record, were not finding work through the New Deal. The article went on:

StepUP represents a serious attempt to stop the revolving door of New Deal for the most disadvantaged. It is estimated that up to 33% of people on the New Deal 18-24 are there for the second time. A growing number are re-entering for the third time.<sup>209</sup>

Helping the unemployed by creating temporary jobs has been described as the “Intermediate Labour Market” (ILM) approach. This approach was discussed in a recent Work and Pensions Select Committee report:

The Committee believes that the StepUP approach is a good way to help clients who face significant barriers – regardless of their claimant category. **We recommend the StepUP approach should be extended beyond the original pilot areas in order to accommodate a wider group of clients.**<sup>210</sup>

The Committee’s report continued:

67. We also heard evidence from UK based providers of Intermediate Labour Market (ILM) programmes. These are a tried and tested way of improving employability that gives economically disadvantaged people the time, support and wages to get off benefits and into work. ILMs can help to create real waged jobs in areas that have few opportunities, especially where structural change has meant a severe loss of employment from many primary industries. They also help to regenerate communities and provide additional public services, particularly in environmental improvement.

68. The Committee was impressed by the creative way in which many of these projects or job placement services create practical "joined up" solutions to local problems by bringing together local partners and diverse funding streams with

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<sup>207</sup> HC Deb 28 November 2001 c974-5.

<sup>208</sup> “Guaranteeing jobs” *Working Brief* January 2002

<sup>209</sup> Ibid

<sup>210</sup> Work and Pensions Select Committee, *The Government’s Employment Strategy*, 31 July 2002, HC 815 2001-02, para 64.

jobless individuals and communities that need work. In stark contrast to many bureaucratic efforts to create policy coherence and "joined-up" delivery, these organisations have found practical mechanisms to integrate many different government goals, often by finding ways to circumvent highly prescriptive funding rules, targets and beneficiary groups.

69. These solutions are effective because they provide pathways to work through bottom-up, community-based activity and nurture social entrepreneurs who are finding home-grown ways of restoring vitality to communities. Whilst many of these organisations concentrated on community based jobs, all aimed to place their successful employees into jobs in the open labour market by enhancing their ultimate prospects of obtaining a job.

70. We do not believe that these forms of innovative transitional employment can be fostered through specific Government programmes. Instead they can only flourish by allowing local organisations imaginatively to design solutions matched to problems that are understood by local managers and community leaders. Jobcentre Plus needs to offer flexible funding and, whilst measuring outcome as a key indicator of success and the basis for continued funding, it must avoid setting rules that prescribe the processes that these providers have to follow.

**71. We recommend that the Department for Work and Pensions actively explores routes to create flexibility and encourage these innovative Intermediate Labour Market solutions to unemployment and economic inactivity amongst the hardest to place, like lone parents, longer term unemployed, people with health problems or disability.<sup>211</sup>**

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<sup>211</sup> Ibid paras 67-71.

## S. Progress2Work

Progress2Work aims to help those whose misuse of drugs hinders their ability to find a job.

**Announced:** The programme was announced in the 2001 Budget:

The Government is committed to ensuring employment opportunity for all, including those in greatest need of help. As part of its strategy, **it will invest additional resources to help the 30,000 claimants whose drug problems may be getting in the way of their finding a job, and provide more help for ex-users to move into work.**<sup>212</sup>

**Cost:** £40m over three years.<sup>213</sup>

**Detail:** Details of the programme were given in the following written answer:

**Tony Cunningham:** To ask the Secretary of State for Work and Pensions what measures he is taking to help those recovering from drug treatment to find work.

**Mr. Nicholas Brown:** We are committed to helping unemployed people who have decided to kick their drug habit move into work.

Our policies and programmes are helping people with drug problems to overcome them and lead healthy and productive lives, a key aim of the Government's anti-drugs strategy.

Drug mis-users already have early access to programmes like the new deal and Work Based Learning for Adults. We have also introduced progress2work, a £40 million initiative to give unemployed people who are recovering from their drug problem the extra help they need to get into work. Progress2work will provide additional specialist help so recovering drug users can make the best use of our welfare to work initiatives. It will also equip Jobcentre Plus staff with the skills and knowledge they need to identify and help drug mis-users, and will bring more local and national co-ordination to provision in this field.

Progress2work is already up and running in 27 pathfinder areas and will be rolled out nationally from next year.<sup>214</sup>

The following Jobcentre Plus districts are pathfinder areas: ;; London Central North East; London South East (previously Thameside); London South East (previously Lewisham); London South; West of England; Devon; Plymouth; Birmingham and Solihull;

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<sup>212</sup> HM Treasury, *Budget 2001*, March 2001, HC 279, p68

<sup>213</sup> DWP Press Release, *£40 Million employment drive to help tackle drugs misuse*, 10 August 2001.

<sup>214</sup> HC Deb 20 May 2002 c32W

Wolverhampton and Walsall; Greater Nottingham, North Nottinghamshire; Barnsley; Rotherham; Bradford; Doncaster; Sheffield; Knowsley and Sefton; Lancashire West; Liverpool; Newcastle & Tyneside; Bridgend and Glamorgan Valleys; North West Wales and Powys; Swansea Bay; Forth Valley and Dumbartonshire, Renfrewshire, Inverclyde, Argyll and Bute; Fife; Glasgow; Tayside.

In October 2002, the programme was rolled out to a number of other areas.<sup>215</sup> These areas were: London Central North West; Berkshire; Bucks and Oxfordshire; Sussex; Dorset; Gloucestershire; Somerset; Hertfordshire; Bedfordshire; Cambridgeshire; Norfolk; Dudley and Sandwell; Hereford and Worcestershire; Coventry and Warwickshire; Derbyshire; Lincolnshire and Rutland; East Riding; Leeds; South Humberside; Bolton and Bury; Cheshire; Lancashire West; Manchester; St Helens and Halton; City of Sunderland; Durham; Tees Valley; Cardiff and Vale; West Wales; Wrexham and North Wales Coast; Ayrshire, Dumfries and Galloway; Edinburgh; Highlands and Western Islands; Lanarkshire; Lothian and Borders; Renfrewshire, Inverclyde, Argyll and Bute<sup>216</sup>.

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<sup>215</sup> HC Deb 18 July 2002 c522-3W

<sup>216</sup> There have been boundary changes to Jobcentre Plus districts hence the inclusion of Inverclyde, Argyll and Bute in both Phase 1 and Phase 2.

## T. Outreach to ethnic minorities

The outreach service aims to narrow the gap between the overall employment rate and the employment rate of ethnic minorities.

**Announced:** In the 2001 Employment Green Paper:

Recognising the diverse needs of different ethnic minority communities, we will invest £15 million in new outreach for ethnic minorities over the next three years, through voluntary and community bodies.<sup>217</sup>

**Cost:** £15 million over two years from April 2002.<sup>218</sup>

**Detail:** Further detail was provided in a DWP Press Release:

Steps to narrow the gap between the overall employment rate and that of ethnic minority people have been announced today by Minister for Work Nick Brown.

Jobcentre Plus has agreed contracts with local organisations to proactively engage with jobless people in the five urban areas that are home to three quarters of Britain's ethnic minority people.

Launching the initiative today, Minister for Work Nick Brown said:

"There's an unacceptable difference between the overall employment rate and that of people from ethnic minorities which is clear evidence of wasted talent. This new outreach service will explore different ways jobless people can be brought into work or training and forms part of a concerted effort to narrow that 17% gap."

The contractors include small, locally-based grass roots organisations which have an established or potential rapport with specific groups of disadvantaged ethnic minority people in the East Midlands, Greater London, Greater Manchester, West Midlands and West Yorkshire. The projects will work by attracting people to mainstream services such as the New Deal, by improving links between communities and employers or by providing specialist training where necessary. Nick Brown added:

"We know that work is the best route out of poverty and that many of the country's ethnic minority communities are based in its poorest areas. These providers are well-placed to identify the key obstacles preventing their clients

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<sup>217</sup> DfEE, DSS and HM Treasury, *Towards full employment in a modern society*, March 2001, Cm 5084, p34.

<sup>218</sup> DWP Press Release, *Government reaches out to "wasted talent" in Britain's ethnic minority communities*, 4 July 2002.

from taking up work, and then to build rapport and win their trust in a way which gets results."<sup>219</sup>

The Work and Pensions Select Committee report on the Government's Employment Strategy also contains a description of the programme:

Outlined in the April 2001 Green Paper, Jobcentre Plus has agreed contracts with local organisations, as part of a £15m two-year programme announced in July 2002 to engage actively with jobless people in the five urban areas where three quarters of Britain's ethnic minority people live. The contractors included small, locally-based organisations which have an established or potential rapport with specific groups of disadvantaged ethnic minority people. The projects will work by attracting people to mainstream services such as the New Deal, by improving links between communities and employers or by providing specialist training where necessary. There are 52 contracts with organisations in the five urban areas in which the ethnic minority outreach project will operate. Specific areas within the five urban areas are: Birmingham, Black Country North, Black Country South, Bolton, Bradford, Calderdale & Kirklees, Coventry, Edgware, Lambeth, Leaside, Leicestershire, Lewisham, Manchester North, Manchester South, Oldham & Rochdale, Thames Gateway.<sup>220</sup>

The Strategy Unit of the Cabinet Office is due to publish a report in 2003 on methods of improving the labour market performance of ethnic minorities.<sup>221</sup>

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<sup>219</sup> Ibid

<sup>220</sup> Work and Pensions Committee, *the Government's Employment Strategy*, 31 July 2002, HC 815, Session 2001-02, para 72

<sup>221</sup> HM Treasury, *Pre-Budget Report 2002*, November 2002, Cm 5664, p75.

## U. Rapid Response Service

The Rapid Response Service provides information, advice and other assistance to help those unemployed as a result of large scale redundancies. The Rapid Response Service brings together the Job Transition Service and the Rapid Response Fund.

**Announced:** The Job Transition Service was announced in the 2000 Pre-Budget Report:

Some of the most difficult employment problems have occurred when there were large-scale redundancies in areas dependent on one industry or one company. **The Government will introduce a new service where large-scale redundancies occur, particularly in high unemployment areas or where there is a high dependency on one industry.** The service will provide help for people made redundant to move into new jobs, preventing them from becoming detached from the labour market, and also provide extra help for those affected indirectly, such as the long-term unemployed. The service will build on existing provision including Rapid Response Units, and work closely with other government departments and agencies, including the Regional Development Agencies and Learning and Skills Councils, and tap into existing resources where possible.<sup>222</sup>

In the 2001 Pre-Budget Report, the Chancellor announced that the Rapid Response Fund and the Job Transition Service would be brought together.<sup>223</sup>

**Started:** The Job Transition Service began operating in April 2001. Since 28 November 2001, it has operated under the name Rapid Response Service.<sup>224</sup> The Rapid Response Service was launched in full in April 2002.<sup>225</sup>

**Detail:** The Rapid Response Service is managed by Jobcentre Plus. Jobcentre Plus Regional Managers work with the company and regional partners to respond to the redundancy. Further details were set out in the following written answer:

**Mr. Jim Cunningham:** To ask the Secretary of State for Work and Pensions what help has been given to manufacturing workers who have been made redundant in finding alternative employment.

**Mr. Nicholas Brown [holding answer 4 July 2002]:** We recognise the devastating impact redundancies can have on local economies and the people directly affected. Wherever major redundancies occur, in manufacturing or any other sector, Jobcentre Plus together with other key regional partners, will set up

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<sup>222</sup> HM Treasury, *Pre-Budget Report 2000*, November 2000, Cm 4917 para 4.36

<sup>223</sup> HM Treasury, *Pre-Budget Report 2001*, November 2001, Cm 5318, para 4.16

<sup>224</sup> HC Deb 4 February 2002 c756W

<sup>225</sup> HC Deb 21 October 2002 c112W

a task force to identify and provide the support needed by those affected. This can include help through the Rapid Response Service where appropriate.

The aim of the Rapid Response Service is to provide support for those affected by redundancy and help people make the transition into sustainable new jobs. The nature of the help provided by the service will be tailored to the needs of the individuals, the employer, and the local labour market. This could include offering information, advice and guidance to those affected, help with jobsearch, facilitating retraining where necessary, or developing customised retraining programmes. People affected by redundancy can also have early access to Jobcentre Plus programmes such as the New Deals and Work Based Learning for Adults. Assistance is currently being made available to over 13,000 people from 47 different companies.

On 1 April 2002, the Rapid Response Service became fully operational, supported by a further investment of £6 million over two years.<sup>226</sup>

By October 2002, the Rapid Response Service had provided help to 158 companies and over 50,000 people.<sup>227</sup>

**Cost:** Funding for the Rapid Response Service was described in the DWP's 2002 Departmental Report:

In order to respond to redundancies £9 million has been allocated over three years to develop and run a targeted co-ordinated service. A further £6 million has been given to extend some of the more successful aspects of the service and to enhance strategic work. In addition, the Rapid Response Service (increased from £5 million to £7 million for 2001-02 and 2002-03) is being transferred from the Regional Development Agencies to Jobcentre Plus, and Training for Transition is being piloted, with £5 million allocated over two years.<sup>228</sup>

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<sup>226</sup> HC Deb 10 July 2002 c1013W

<sup>227</sup> HC Deb 21 October 2002 c113W

<sup>228</sup> DWP Departmental Report, *The Government's expenditure plans 2002-03 to 2003-04*, May 2002, Cm 5424, p131

## V. Pathways to Work

DWP published a Green Paper, *Pathways to work: Helping people into employment*<sup>229</sup> in November 2002. This set out a range of measures designed to help people with illness or disability back into work.

**Announced:** 18 November 2002

**Starts:** Pilots schemes will begin in six areas in Autumn 2003.<sup>230</sup>

**Detail:** Andrew Smith, Secretary of State for Work and Pensions, introduced the proposals as follows:

Our proposals are set out in the consultation paper, "Pathways to work: Helping people into employment", which sets out a new framework of help for those who through illness or disability have applied for incapacity benefit. It combines better and more intensive advice with mandatory work-focused interviews, new opportunities for rehabilitation and new financial incentives to encourage people to move into jobs. We propose phased pilot schemes of the new approach in six areas around Great Britain from next autumn.

Let me make it very clear that this is not about forcing sick or disabled people into work. It is about encouraging people to look at their options and helping those who want to work to achieve their goal of getting a job. I should like to reassure the House that those with the most severe conditions will not be required to attend the ongoing intensive interviews. We all understand how important it is that the development of the initiative does not threaten their security and the vital support that incapacity benefit provides for them.<sup>231</sup>

Details of the proposals were set out in a DWP Press Release on the same day:

- Early support from skilled personal advisers, including work-focused interviews and action plans;
- Access to a range of specialist programmes, including new rehabilitation services provided jointly by Jobcentre Plus and the NHS;
- Greater financial incentives to work including, a Return to Work Credit of £40 a week for 52 weeks for those finding a job that pays less than £15,000 per year and access to a discretionary fund of up to £300 to help find a job; and

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<sup>229</sup> DWP, *Pathways to work: Helping people into employment*, November 2002, Cm 5690

<sup>230</sup> HC Deb 18 November 2002 c366

<sup>231</sup> HC Deb 18 November 2002 c366

- More support for people with health problems who move from an incapacity benefit to JSA.<sup>232</sup>

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<sup>232</sup> DWP News Release, *New Blueprint to help people on incapacity benefit back to work*, 18 November 2002.

## W.Measures to tackle local concentrations of unemployment

The Government intends to introduce a pilot scheme to tackle neighbourhoods with very high rates of unemployment and economic inactivity. Many of these areas have a large number of vacancies or are within travelling distance of areas with large numbers of vacancies or jobs. The pilots will provide intensive help to jobseekers.

**Announced:** This programme was formally announced in the Pre-Budget Report 2002<sup>233</sup> but had been described in a speech by the Chancellor of the Exchequer on 1 November 2002. He said:

But we must go further and so tackling the barriers to full employment and encouraging the unemployed back to work in our most deprived areas will form a major feature of the pre-budget report.

Because we must break the destructive culture that “no-one around here works” which damages both the areas themselves and people’s chances of jobs, we will provide far more help than in the past in these areas, using the sanctions and opportunities available in the new deal and where necessary taking job advisers onto estates, and extending access to the help available through the new deal and equip the unemployed with the skills they need to get into work, including providing training in literacy, numeracy and other basic skills. But in return we will expect the unemployed to take up the jobs that are available.

In pilot areas, we will look to test a more intensive approach to tackling the worst concentrations of unemployment, street by street, estate by estate. As we insist on unemployed adults and young people getting back to work, we will identify the barriers to their employability, offering them training, advice and sometimes cash help, and linking them to jobs in the vicinity.<sup>234</sup>

**Starts:** April 2004

**Detail:** The pilots will operate in twelve of the most deprived neighbourhoods of the country. Details were set out in the Pre-Budget Report 2002:

**4.58** In each pilot area, residents claiming Jobseeker's Allowance will benefit from accelerated access onto the New Deal programmes after just three months of unemployment, compared with the current eligibility of six months for young people and 18 months for those aged 25 and over. Because economic inactivity is often more prevalent than unemployment in these neighbourhoods, more frequent work-focused interviews will also be introduced for all partners and lone parents,

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<sup>233</sup> HM Treasury, *Pre-Budget Report 2002*, November 2002, Cm 5664, p76

<sup>234</sup> Extract from speech given by the Chancellor of the Exchequer at the Urban Summit in Birmingham, 1 November 2002.

with new Incapacity Benefit claimants also given more help to ensure that employment opportunities and barriers to work are regularly discussed.

**4.59** Each neighbourhood will also receive a flexible discretionary fund. This will allow personal advisers to tackle the substantial and varied barriers that prevent residents in these neighbourhoods from returning to work. The fund will provide personal advisers, working in cooperation with Local Strategic Partnerships, with flexibility to deliver services in ways that best meet the needs of the local community.<sup>235</sup>

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<sup>235</sup> HM Treasury, *Pre-Budget Report 2002*, November 2002, Cm 5664, p76

### III Training and Employment Schemes since the War

#### 1945 - 1971

It was not until the 1970s that training and employment schemes of the kind we know today were first introduced. In the two decades which followed the Second World War, the Government's "full employment" policy was so successful that unemployment never exceeded 3 per cent and was generally below 2 per cent. Manpower policies were developed in the 1960s to deal with regional imbalances and with skill shortages in particular sectors. For example, the **Regional Employment Premium**, a labour subsidy paid to manufacturers for each worker they employed in Development Areas, was introduced in 1967. The **Industrial Training Boards** with powers to levy employers and make grants to those who provided training of an approved standard, were established under the *Industrial Training Act 1964*.

Public help with job search activity can be dated back at least to 1910 when the first public labour exchanges were set up as a means of bringing together employers and unemployed people with a view to cutting out waste in the processes of recruiting workers and of looking for a job. From the outset, labour exchanges had close links with the administration of unemployment insurance and, by the 1960s, a large network of local offices of the Ministry of Labour dealt with both employment and benefit work. On the employment side, the service had a reputation for dealing with poorly motivated people and with vacancies in predominantly unskilled occupations. The late 1960s saw a growing interest in manpower policies and there was concern about shortage of labour as a constraint on economic growth. In 1971, the Conservative Government published a policy document, *People and Jobs*, which recommended the separation of employment work from the administration of benefit to break the "dole queue image" of the employment service. Attractive new Job Centres in prime high street locations would help people find work while Unemployment Benefit Offices (UBOs) would deal with benefit claims. This policy has gradually been reversed since the mid 1980s and the establishment of Jobcentre Plus (see Part I Section 2) re-integrates administration of benefits with advice on looking for work.

#### 1972

**Training Opportunities Scheme (TOPS)** - ran from 1972 to 1985 when it was replaced by the Job Training Scheme. The aims of TOPS were to provide training on request from unemployed adults, subject to an economic need for the skills to be taught, to enable adults to change occupations quickly and to promote the concept of adult retraining. Applicants had to be unemployed or willing to give up employment, be at least 19 years of age, and to have spent at least two years away from full-time education. They also had to have a clear intention of taking up employment in the training occupation. A weekly allowance was paid.

**Community Industry (CI)** - started in 1972, on the initiative of the National Association of Youth Clubs. CI provided disadvantaged young people with temporary employment of community benefit in workshops, site projects and through placements with social care organisations. Participants received a weekly wage which increased with age. They were normally on the scheme for 12 months. The role of CI changed with the expansion of the Youth Training Scheme and the transfer of responsibility for training to the Training and Enterprise Councils. It became a training provider under YT and merged with the Rathbone Society in 1995 to provide training for people with special needs.

### 1973

**Job Centres** - the first Job Centre of the type proposed in *People and Jobs* opened in Reading in May 1973. In the following three years a network of Job Centres separate from the UBOs was established. However, in 1987, the Government announced that the job-finding services of the Job Centres were to be re-integrated with the benefit administration and "policing" functions of UBOs.

**Professional and Executive Recruitment** - in 1973 the Department of Employment's Professional and Executive Register was restyled as Professional Executive Recruitment, delivered by separate management and charging fees to employers. It provided specialised recruitment services for professional, technical, scientific, supervisory and managerial vacancies. In September 1988, PER was privatised and sold to Pergamon Professional and Financial Services plc for £6 million.

### 1975

**Temporary Employment Subsidy (TES)** - ran from August 1975 to March 1979 when it closed to new applications. The objective was to encourage companies to defer threatened redundancies, affecting ten or more workers. The scheme offered a £20 a week subsidy for a maximum of 12 months for each full-time job maintained.

**Job Creation Programme (JCP)** - ran from October 1975 to December 1977 when it closed to new applicants. JCP provided full-time, paid work for up to twelve months on projects of benefit to the local community. Priority was given to those aged 16-24 and to those aged over 50. Participants received the normal local wage rate for the job up to a defined maximum.

**Recruitment Subsidy for School Leavers (RSSL)** - ran from October 1975 to September 1976. The scheme applied to school leavers in the Summer of 1975 and December 1975. The aim was to encourage private sector employers and the nationalised industries to give preference to unemployed school leavers when recruiting staff. Employers were paid a subsidy of £5 per head per school leaver recruited, for a maximum of 26 weeks.

## 1976

**Work Experience Programme (WEP)** - ran from September 1976 to April 1978 when it was incorporated in the Youth Opportunities Programme. Employers were asked to give unemployed 16-18 year olds a practical introduction to working life for a minimum of 6 months. The young people were paid a weekly allowance.

**Youth Employment Subsidy (YES)** - ran from October 1976 to March 1978. A subsidy of £10 per week for up to 26 weeks was paid to any private sector or nationalised industry employer who recruited a young person (under 20 on 1 October 1976) who had been registered as continuously unemployed for 6 months or more.

## 1977

**Job Release Scheme (JRS)** - the full-time Job Release Scheme started in January 1977 and closed to new entrants in January 1988. The part-time scheme started in October 1983 and closed in May 1986. The purpose of the scheme was to encourage older people to retire early by paying them an allowance, provided they thereby released a job which was filled by an unemployed person.

**Small Firms Employment Subsidy (SFES)** - ran from July 1977 to March 1980 when it closed for new applicants. Small manufacturing firms in the private sector (originally only in Special Development Areas) were offered a subsidy of £20 per week for up to 26 weeks for each extra full-time job they created. There was a part-time scheme as well.

## 1978

**Youth Opportunities Programme (YOP)** - ran from April 1978 to September 1983 when it was replaced by the Youth Training Scheme. It provided a programme of up to 12 months work experience and training for unemployed school leavers aged 16-18. A weekly allowance was paid.

**Special Temporary Employment Programme (STEP)** - ran from April 1978 to March 1981, when it was replaced by the Community Enterprise Programme. Provided the long-term unemployed with temporary work of community benefit. Aimed at over 25s unemployed for at least 12 months and those aged 19 to 24 unemployed for at least 6 months.

**Short-Time Working Compensation Scheme for Textile, Clothing and Footwear Firms** -ran from May 1978 to March 1979 when it closed to new applicants and was subsumed in the Temporary Short Time Working Compensation Scheme. The scheme aimed to encourage employers in these industries to adopt short-time working instead of making people redundant. For a maximum of 12 months, employers were re-imbursed 75% of normal wages paid to those working short-time instead of redundancy.

**Adult Employment Subsidy (AES)** - ran from August 1978 to June 1979 in a few pilot areas. Employers in private industry and the nationalised industries received £20 per week subsidy for up to 26 weeks for every person they took on aged 19-64 (59 for women) who had been registered unemployed for 12 months or more.

## 1979

**Temporary Short Time Working Compensation Scheme (TSTWCS)** - ran from April 1979 to March 1984. The scheme was designed to encourage employers to adopt short-time working as an alternative to redundancy. Under the scheme, employers received 50% of normal wages paid to staff working short-time for up to nine months.

## 1981

**Community Enterprise Programme (CEP)** - ran from April 1981 to September 1982 when it was incorporated in the Community Programme. Provided temporary employment of benefit to the Community for the long-term unemployed with a view to improving their prospects of obtaining permanent employment. Aimed at over 25s unemployed for at least 12 months and those aged 18 to 24 unemployed for at least six months.

## 1982

**Young Workers Scheme** - ran from January 1982 to April 1986, when it was replaced by the New Workers Scheme. The aim of the scheme was to improve the competitive position of young people in the labour market in order to "price" them into jobs. Employers were paid a subsidy of £15 a week for each young person aged 18 in their first year of employment, and earning under £50 a week.

**Voluntary Projects Programme (VPP)** - ran from August 1982 to September 1988 when it was replaced by Employment Training. The projects offered unemployed people an opportunity to undertake constructive activities on an informal, part-time basis. Participants remained on benefit. The Manpower Services Commission funded some of the running costs and waged posts of the sponsors who were usually voluntary organisations.

**Community Programme (CP)** - ran from October 1982 to September 1988 when it was replaced by Employment Training. Provided certain unemployed people over 18 with up to a year's temporary full - or part-time work on projects of benefit to the Community. Participants aged 18-24 had to have been out of work for 6 of the previous 9 months. Those aged 25 or over had to have been unemployed for 12 of the previous 15 months. From October 1984, most participants had to have been in receipt of unemployment benefit. Participants were paid a wage.

## 1983

**Job Splitting Scheme** - ran from January 1983 to April 1987 when it was replaced by Jobshare. Employers were paid a grant (originally £750) if they split a job which had

previously been full-time and filled it with two unemployed workers or two employees facing redundancy.

**Enterprise Allowance Scheme (EAS)** - ran, nationally, from August 1983 to 1990-91 when it was gradually replaced by the Business Start Up Scheme run on a more flexible basis by the Training and Enterprise Councils (TECs). Originally the scheme provided an allowance of £40 a week for up to a year for people who had been unemployed for at least 8 weeks and who wanted to start their own businesses. Claimants had to be aged 18-65 and have access to £1000 capital.

**Youth Training Scheme (YTS)** - ran from September 1983 to May 1990 when it was replaced by Youth Training. YTS was a programme of training and planned work experience for 16 and 17 year old school leavers. It started as a one year programme but was substantially revised and became a two year programme in April 1986. Trainees were paid an allowance of £29.50 a week in their first year and £35 a week in their second year.

## 1984

**Job Clubs** - see Part II, Section L.

## 1985

**Job Training Scheme (JTS)** - ran from July 1985 to September 1988 when it was replaced by Employment Training. The scheme provided training for unemployed people, mainly through off-the-job courses at Skill-centres and further education colleges. The courses lasted from 3 to 12 months and trainees received an allowance of £38 a week if single or £62.70 if they had an adult dependant. Trainees had to be 18 or over and to have been away from full-time education for at least two years.

**Wider Opportunities Training Programme** - ran from July 1985 to September 1988 when it was replaced by Employment Training. The scheme provided typically short-term and part-time training for unemployed people. Training included work preparation, assessment and basic skills training, training in literacy and numeracy, English as a second language and special help for women returners to the labour market. Most trainees continued to receive benefit but a few, on full-time courses, were paid the old Job Training Scheme allowances.

## 1986

**New Workers Scheme** - ran from April 1986 to January 1988. The aim of the scheme was to encourage employers to take on more young people at rates of pay which realistically reflected their age and inexperience. Employers were paid £15 a week for up to a year for each eligible young person they took on. Young people aged 18 or 19 had to be paid a wage below £55 a week and those aged 20, a wage below £65. The young people had to be in their first year of employment.

**Jobstart** - ran from July 1986 to February 1991. Under the scheme, people who had been unemployed and claiming benefit for at least 12 months could receive an allowance of £20 a week for up to 6 months if they took a full-time job with gross pay of under £90 a week. A pilot "50-Plus Jobstart" scheme, launched in June 1989, allowed qualifying people aged 50 or over to receive the allowance if they took a part-time job for at least 10 hours a week at an hourly rate of £2.57 or less.

**Travel To Interview Scheme** - see Part II, Section M.

**Restart Courses** - ran from July 1986 to 1998-9 when they were merged with Jobplan Workshops. The courses ran for two weeks and claimants were compulsorily referred by ES advisers. They consisted of courses to boost confidence and help with job search activity. The courses targeted people aged 18 and over who had been unemployed for more than 24 months. Participants received their normal benefit entitlement.

**Career Development Loans** - see Part II, Section C

## 1987

**New Job Training Scheme** - ran, on a national basis, from April 1987 to September 1988 when it was replaced by Employment Training. The scheme provided full-time training and work experience for an average of 6 months to people who had been unemployed for 6 months or more. Priority went to 18-25 year olds. Trainees received an allowance of £25 a week or the equivalent of their benefit, whichever was the higher. From April 1988 a training premium of £10 a week was paid on top of this.

**Jobshare** - ran from April 1987 to December 1991 when it closed to new applicants. Under the scheme, employers who created part-time jobs for unemployed people could qualify for a grant of £1000 towards administration and training costs. Jobs could be created by splitting an existing full-time post; combining regular overtime hours into a new job; or creating two new part-time jobs. The jobs had to be filled by people claiming unemployment benefit, under notice of redundancy or leaving Government training schemes such as Employment or Youth Training.

## 1988

**Employment Training** - ran from September 1988 to 1993, when it was merged with Employment Action to form Training For Work. The programme was aimed primarily at the long term adult unemployed. 18-24 year olds who had been unemployed for 6-12 months were the "guarantee" group and 18-50 year olds who had been unemployed for more than two years were the "aim group". Many other groups (eg anyone unemployed for 6 months or more, aged 18-60; the disabled; people whose first language is not English; certain lone parents; labour market returners) could qualify. The programme provided up to a year (later up to 2 years in some cases) training, designed to qualify people for work. A training allowance equal to benefit entitlement plus a £10 premium was paid. The scheme was run by the TECs who had a certain amount of flexibility in the details.

## 1989

**Action Credit** - pilot scheme introduced in 1989. Allowed benefit claimants who leave Employment Training to work part-time for up to 6 months while continuing to receive Income Support. The earnings were saved and paid as a lump sum when a full-time job is found, or after the part-time job came to an end. The pilot does not appear to have been very successful and the scheme was adopted by very few TECs.

**Job Interview Guarantee** – ran from March 1989 until October 1999. This was a programme designed to help people unemployed for 6 months or more into work by obtaining employers' agreement to guarantee interviews in return for enhanced services from the Employment Service. These services included a matching and screening service and Job Preparation Courses. Work Trials originally formed part of the programme before they were identified as a separate scheme, which is still available (see Part II, Section N).

## 1990

**Youth Training** - replaced the Youth Training Scheme as the main programme for unemployed 16 and 17 year olds until April 1998 when it was replaced by Work Based Training for Young People. Youth Training was delivered by training providers under contract to the local Training and Enterprise Council. Trainees qualified for an allowance of £30 per week at the age of 16 and £35 per week at the age of 17. Work Based Training for Young People has contained most of the main characteristics of Youth Training.

## 1991

**Job Review Workshops** - ran from October 1991 to October 1996 when they were replaced by Jobsearch Plus. These workshops were aimed at people from professional, executive and managerial backgrounds who had been unemployed for 13 weeks or more. They lasted about two days and were designed to widen job search by identifying transferable skills and using computer-aided occupational guidance systems.

**Job Search Seminars** - ran from July 1991 to October 1996 when they were replaced by Jobsearch Plus. The seminars, which covered about four days, were aimed at people who had been unemployed for 13 weeks or more. They provided help with drawing up CVs, completing application forms and interview skills, and free access resources such as stationery, telephones and photocopying.

**Employment Action** - ran from October 1991 to 1993 when it was merged with Employment Training to form "Training for Work". The scheme was aimed at 18-60 year olds who had been continuously unemployed for at least 6 months. They received an average of 6 months work on projects of community benefit and help with finding permanent work. Participants received their social security benefit entitlement plus an allowance of £10 a week. The scheme was mainly run by TECs.

**Business Start Up (BSUS)** - ran, nationally, from about April 1991 to March 1995. It replaced the Enterprise Allowance Scheme as a more flexible form of help for unemployed people who wanted to start their own businesses. It was administered by TECs. The general rule was that people had to be aged between 18 and 59 and unemployed for at least six weeks to qualify. TECs set the level of the allowance which could vary between £20 and £90 a week and last for between 26 and 66 weeks. The scheme was transferred from the Department of Employment to the Single Regeneration Budget in April 1994. From April 1995 there has been no separate financial allocation for BSUS. TECs could join a consortium bidding for SRB money and use some of the funds they won to run schemes like BSUS but there is no longer a national scheme or national parameters. The TEC Operating Agreement for 1995/96 said that TECs "shall recruit no further participants in 1995/96".

### 1993

**Training for Work (TfW)** - ran from 1993, when it replaced Employment Training and Employment Action, until it was replaced by Work Based Training for Adults in April 1998, itself replaced as Work Based Learning for Adults in April 1999. TfW was the main training programme for the adult unemployed. It was aimed primarily at people aged 18-63 who had been unemployed and in receipt of benefit for 26 weeks or more. Participants received an allowance equal to their previous benefit entitlement and an additional £10 per week. Some participants (about 9%) had employed status and received a wage from an employer. WBLA is still known as Training for Work in Scotland.

**Community Action (CA)** - ran from 1993 to 1996, with recruitment to the programme ceasing on 29 December 1995. This was a programme designed to help people who had been unemployed for at least 12 months back into work by providing part-time work experience on projects of benefit to the local community and assistance with job search. The closure of the programme was announced at the time of the November 1995 Budget. Its closure was linked with the introduction of pilot Project Work schemes, though these were not a direct replacement for CA.

**Workstart** - ran on a pilot basis from July 1993 until it was absorbed into the Project Work pilots which finished in April 1998. It tested the effectiveness of offering employers a job subsidy to take on the long-term unemployed. Employers were paid a subsidy of £60 for six months, falling to £30 for the following six months. The Labour Government increased the subsidy in the Project Work Pilots to £75 per week for those aged over 25 and unemployed for more than two years. This paved the way for the subsidy element in the New Deal for the Long-term Unemployed.

**Work Trials** – see Part II, Section N.

**Learning For Work** - operated during the academic year 1993/94. It was announced by Norman Lamont in his Budget on 16 March 1993. To qualify, people had to be aged 18-60 and to have been registered unemployed continuously for 52 weeks or more on 1 September 1993. It was run by TECs and LECs and provided full-time vocational courses at local colleges. Participants received an allowance equal to their previous benefit rate. 30,000 starts were planned but take-up was lower than expected.

**Jobplan Workshops** - see Part II, Section L

## 1994

**Workwise/Worklink** - ran from 1994 until April 1998. Workwise (Worklink in Scotland) consisted of intensive four week, mandatory courses to help young people aged 18-24 who had been out of work for 12 months or more. The 18-24 year old age group are now covered by the New Deal for Young People.

**1-2-1** - ran from April 1994 until June 1998. This programme offered a compulsory series of up to six interviews with an adviser. The interviews were spread over a period during which the unemployed person undertook guided job search activity. Participants were aged 18-24 who had been unemployed for more than 12 months. It was replaced by Jobfinder Plus (see Part II Section P).

**Modern Apprenticeships**— see Part II, Section B

**Jobfinder's Grant (replaced by Job Grant)** - see Part II, Section O

## 1995

**Accelerated Modern Apprenticeships (aMAs)** - This scheme was similar to Modern Apprenticeships but aimed at 18 and 19 year old school leavers. It was announced by David Hunt, then Secretary of State for Employment in a statement on the White Paper, *Competitiveness: Helping Business to Win*, on 24 May 1994. It was to start from September 1995, but, because of very low take-up (only 400 participants in December 1995<sup>236</sup>) was merged with Modern Apprenticeships from April 1996.<sup>237</sup>

**Job Match** - ran on a pilot basis from April 1995 until 1998/99. The scheme paid participants a £60 per week allowance for six months if they took up part-time works. Job Match was available to claimants who were aged 18-24, and had been unemployed for more than two years.

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<sup>236</sup> HC Deb 16 April 1996 c391W

<sup>237</sup> DfEE Press Release, *Further expansion of Modern Apprenticeships*, 7 February 1996

**Career Development Loans Plus** - merged with Career Development Loans, April 1998, see Part II, Section C

## 1996

**Project Work** - ran on a pilot basis from April 1996 until April 1998. The details varied according to the pilot area but generally involved a 13 week period on a range of ES programmes followed by a period of compulsory work experience with private training organisations, and voluntary and charitable bodies. Refusal to attend led to loss of benefit. Participants received an allowance equivalent to benefit plus £10 per week.

**National Insurance Contribution Holidays** – ran from April 1996 to April 1999. Employers were able to claim a full National Insurance rebate on employer contributions for up to a year after taking on someone who had been unemployed for two years or more. It was originally expected that 130,000 people a year would be helped by the scheme but take-up was much lower than expected. Expenditure was rapidly reduced before the scheme was closed down completely from April 1999 except for holidays that were already in place.

**Job Search Plus** - ran from April 1996 on a pilot basis and launched nationally from October 1996 to coincide with the introduction of Jobseeker's Allowance. The scheme was a three day course designed to help people who had been unemployed for at least 13 weeks with job search activity. The DfEE Departmental Report for 1998/9 said that the programme would no longer be available nationally from April 1998 but similar provision would be available through Jobclubs and Programme Centres, or "exceptionally as a separate course".<sup>238</sup>

## 1997

**Parent Plus/Lone Parent Caseworker Pilot** - due to start in April 1997, but absorbed within the new Government's New Deal for Lone Parents. This was a pilot scheme designed to provide lone parents with extra help in finding work. All lone parents claiming income support would be invited for interview and given advice on in-work benefits and childcare. There were to have been eight public sector pilots run by the Employment Service and the Benefits Agency and four private sector pilots. The public sector pilots went ahead, in slightly modified form, in July 1997 as part of the New Deal for Lone Parents.

**Contract for Work** - due to start in April 1997, but delayed by the General Election in May 1997, and not pursued by the new Government. The Contract for Work pilots would have tested whether the private sector could get unemployed people back into work more efficiently than the public sector.

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<sup>238</sup> DfEE, *Departmental Report – the Government's Expenditure Plans 1998-1999*, Cm 3910, p 103

**Workskill** - ran on a pilot basis from April 1997. Under the scheme, claimants who had been unemployed for more than six months could study full-time (or part-time in some of the pilots) while retaining eligibility for benefits. The Labour Government expanded the pilots in July 1997 and they became the basis for the full-time Education and Training option under the New Deal for the Long-term Unemployed in 1998.

**New Deal for Lone Parents** - see Part II, Section I

**National Traineeships (now Foundation Modern Apprenticeships)** - see Part II, Section B

**Programme Centres** - see Part II, Section L

## **1998**

**New Deal for the Young Unemployed** - see Part II, Section D

**New Deal for the Long Term Unemployed** - see Part II, Section F

**New Deal for the Disabled** - see Part II, Section H

**Employment Zones** - see Part II, Section J

**Work Based Training for Adults (now Work Based Learning for Adults)** - see Part II, Section A

**Work Based Training for Young People** - see Part II, Section B

**Jobfinder Plus** - see Part II, Section P

## **1999**

**New Deal for the over 50s** – see Part II, Section G

**New Deal for Partners** – see Part II, Section E

## **2000**

**Action Teams for Jobs** – see Part II, Section K

## **2001**

**Retention and Advancement Pilots** – see Part II, Section Q

**Rapid Response Service** – see Part II, Section U

**2002**

**StepUP** – see Part II, Section R

**Progress2Work** – see Part II, Section S

**Outreach for ethnic minorities** – see Part II, Section T

**Pathways to Work** – see Part II, Section V

**Measures to tackle local concentrations of unemployment** – See Part II, Section W

## IV Further sources

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May 2002, Cm5424:

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HC 815, 2001-2:

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HM Treasury website: <http://www.hm-treasury.gov.uk/>

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Jobcentre Plus website: <http://www.jobcentreplus.gov.uk/cms.asp?Page=/Home>

Learning and Skills Council website: <http://www.lsc.gov.uk/index.cfm>

New Deal website: <http://www.newdeal.gov.uk/>

Library Welfare to Work site: <http://hcl1.hclibrary.parliament.uk/Welfare/start.htm>

Lifelong Learning website: <http://www.lifelonglearning.co.uk/cdl/>

Centre for Economic and Social Inclusion (formerly Unemployment Unit and Youthaid)  
website: <http://www.cesi.org.uk/>

Adult Learning Inspectorate website: <http://www.ali.gov.uk/>

## V List of abbreviations

|       |  |
|-------|--|
| ALI   | Adult Learning Inspectorate  |
| AMA   | Advanced Modern Apprenticeship   |
| CDL   | Career Development Loan  |
| DfEE  | Department for Education and Employment  |
| DfES  | Department for Education and Skills  |
| DSS   | Department of Social Security  |
| DWP   | Department for Work and Pensions   |
| ELWa  | Education and Learning Wales (comprising the National Council for Education and Training for Wales and the Higher Education Funding Council for Wales. These two bodies are collectively known as ELWa and are responsible for all post-16 education and training in Wales). |
| ES    | Employment Service   |
| EZ    | Employment Zones   |
| JSA   | Jobseeker's Allowance  |
| LSC   | Learning and Skills Council  |
| LSDA  | Learning and Skills Development Agency   |
| MA    | Modern Apprenticeships   |
| NAO   | National Audit Office  |
| ND25+ | New Deal for 25+ (also know as New Deal for the Long-term unemployed)  |
| ND50+ | New Deal for the over-50s  |
| NDDP  | New Deal for Disabled People   |
| NDLP  | New Deal for Lone Parents  |

|       |   |
|-------|---|
| NDP   | New Deal for Partners                               |
| NDYP  | New Deal for Young People                           |
| NIESR | National Institute for Economic and Social Research |
| NVQ   | National Vocational Qualification                   |
| TEC   | Training and Enterprise Council                     |
| TIS   | Travel to Interview Scheme                          |
| WBLA  | Work Base Learning for Adults                       |
| WBLYP | Work Based Learning for Young People                |