



local employment partnerships

and the jobs pledge

Introduction

Local Employment Partnerships are a new Government initiative, working with businesses to open up more job opportunities for people who face extra barriers in the labour market, such as lone parents and disabled people. The Government has made a 'jobs pledge' to find work for a quarter of a million of these people, who are often overlooked in the labour market, by the end of 2010.

The TUC believes that unions have a lot to offer Local Employment Partnerships:

- Union officers can encourage companies to take part, and monitor the level of support that individual participants receive from employers;
- Union Learning Rep.s can help new recruits to get the training and other development they need;
- Union Health and Safety rep.s can help make sure recruits get safety training and equipment tailored to their needs.

That is why this briefing has been produced – to make sure that union rep.s are well-informed and knowledgeable about this new policy, and able to help make a success of it.

The Jobs Pledge

At the 2007 TUC Congress the Prime Minister promised an extra half million jobs for people currently on benefit, half of them to be delivered through Local Employment Partnerships between major employers and local Jobcentre Plus offices. In announcing this, the Prime Minister specifically asked trade unions to help achieve this target:

“Today I am proposing, and I have written to Brendan, the General Secretary, about this, that we work together to fast-track British workers into jobs we know exist and we work together to implement radically five practical changes that between them will yield half a million jobs.

“The first is for decades, as you know, the barrier to work was the lack of jobs. Today with two-thirds of a million vacancies the biggest barrier is not lack of jobs but lack of skills and lack of links between employers who need workers and workers who need jobs.

I want you to work with us as we talk to the 200 largest companies in Britain and 64 of the best known - from Sainsbury's in retail, HBOS, and RBS in banking and finance, Travelodge, Compass in hospitality, Carillion, Mowlem, Diageo in manufacturing and construction - have already committed to take on, train up, and offer jobs opportunity to men and women who today are inactive or unemployed. Between now and 2010 by this measure alone a total of 250,000 extra job opportunities will come to British workers. ...”

At other times the Government has added more detail to this announcement, indicating that the target is to get 250,000 people into jobs by 2010 and the most recent data indicates that over 17,000 people have already found work through

10-9-07, Congress
verbatim record,
available at
www.tuc.org.uk/congress/tuc-13782-f0.cfm

Local Employment Partnerships with over 4,000 employers throughout the country.

The Prime Minister has indicated that the target for this policy is people who have been on benefit for a long time, disabled people and lone parents in particular. Some will be claiming Jobseeker's Allowance (the benefit for unemployed people) but not all, many will be claiming Employment and Support Allowance, the new benefit for working age disabled people, due to be introduced this year.

Local Employment Partnerships

The Government's green paper, *In Work, Better Off* set out the deal that is on offer to employers:

"We would like employers to consider disadvantaged customers for their vacancies and in return they will get help in identifying and preparing the right people for those vacancies."

There is no list of measures businesses have to guarantee they will provide, but those they *could* commit to include:

- Work Trials;
- Providing induction and technical training for people who haven't got the right work experience;
- Helping to design pre-employment training for potential recruits;
- Introducing or increasing the number of New Deal subsidised jobs;
- Guaranteeing interviews/jobs for people who complete training or meet 'agreed job requirements';
- A target number of places for disadvantaged jobless people on initiatives like work experience "that lead to jobs";
- Encouraging employees to volunteer for mentoring;
- Reviewing their application processes to stop excluding people unnecessarily;
- 'Sympathetically considering' requests for flexible working;
- Hosting Jobcentre Plus seminars for unemployed people.

The deal for disadvantaged people on benefit is also set out in the Green Paper: extra support that *"will give these individuals more chance of competing for the 600,000 vacancies that come up in the labour market each and every month"* in return for an expectation that they will *"take on greater responsibility themselves for finding work."* Some of the measures to be on offer might include:

- Work trials, guaranteed interviews and job opportunities set aside for benefit customers;
- Skills analysis and other training support (including pre-employment training for particular sorts of jobs);

In Work, Better Off, DWP, 2007, p 32, available at <http://www.dwp.gov.uk/wel-farereform/in-work-better-off/in-work-better-off.pdf>

ibid, p 35

- Help during the transition from benefits to employment;
- Making sure that individuals and employers match each other's expectations;
- Helping employers not to disadvantage members of the target groups when they recruit workers;
- Helping employers to provide in-work training through Train to Gain so that new recruits continue to develop their skills and careers in work.

Just as there is no requirement that employers sign up to any particular policy among the list above, so there is no guarantee that an individual claimant will actually get any of these types of support. Several are, in any case, already standard and sometimes the quality can be quite low. That is why it is important to make sure that the jobs pledge actually delivers secure jobs for the disadvantaged people it is meant to help, and the best way we can do that is by encouraging unionised employers to make as positive an offer as possible, and by monitoring what happens in the companies where we organise.

Why are Local Employment Partnerships necessary?

The Government is rightly proud of its record on jobs. There are record numbers of people in employment and the number of unemployed people has steadily come down over the last ten years. This is partly due to the Government's successful management of the economy (ten years of steady growth was not achieved by any of the Government's predecessors for over a hundred years). It was also the result of the successful programmes run by Jobcentre Plus (the agency that delivers the Government's employment policies), such as the New Deal for young people, which has helped more than 760,000 young people into jobs.

But some people find it more difficult to get jobs than others. Some are recognised as unemployed, they claim Jobseeker's Allowance, but they have extra problems: they may live in one of the inner-city areas where unemployment rates are still comparatively high, or they may have characteristics such as drug addiction or a criminal record that make it harder for them to get jobs, or they may face obstacles, like discrimination on the grounds of race. Others may not be formally counted as unemployed, because they receive a different benefit, but they are still capable of paid work and would welcome the opportunity of employment.

Again the Government has a good record, with rising employment rates and a decline in employment 'gaps' (the difference between the employment rate for disadvantaged groups and the overall employment rate), but the New Deal and other employment programmes have not been as effective for the most excluded.

Research in 2002 showed that the New Deal had been most successful in rural areas, especially in the South; in inner city areas participants were less likely to get jobs. A large-scale study of the attitudes of young participants found that, overall, a large majority believed it was very or fairly useful, but people from disadvantaged groups were much less likely to be satisfied.

A recent DWP review of research on the New Deal and other programmes confirmed this picture: for the majority of participants NDYP was still very

See Appendix

The Geography of Workfare: local labour markets and the New Deal, Peter Sunley and Ron Martin, Economic and Social Research Council 2002

National Survey of Participants, A Bryson, G Knight and M White, PSI, ES report ESR44, March 2000.

What Works for Whom? a review of evidence and meta-analysis for the Department for Work and Pensions, Chris Hasluck and Anne E. Green, Institute for Employment Research, DWP, 2001

helpful – the proportion of participants leaving the programme for jobs - 46% - was *higher* than early figures; but disadvantaged participants continue to gain less from the New Deal.

One of the problems the most disadvantaged members of our society seem to face is ‘churning’, or the ‘low pay – no pay cycle’ as it is sometimes called. There seems to be a large group of people who alternate between badly paid and insecure jobs, and time spent on benefits, and many members of disadvantaged groups probably fit in this category. Each year there are 2.4 million claims for Jobseeker's Allowance; of these, two-thirds, or 1.6 million are repeat claims – and half of these are by people with low or no qualifications. This cycle can be very difficult to escape from:

- People who have been unemployed are likely to be unemployed again, people who have had low paid jobs are likely to be low paid again;
- Low skills and poor education may make it more likely that someone will be caught in a cycle of unemployment and low pay, but once you've fallen into either low pay or unemployment, your chances of repeating this experience go up no matter what your qualifications;
- People who are made redundant find it hard ever to recover their old level of pay, and older workers are particularly likely to be affected by this problem if they lose their jobs.

Helping make a reality of the Government's jobs pledge and helping people to break out of the low pay - no pay cycle must be a priority for unions.

What can we do? An agenda for action

Obviously, our first target will be to encourage employers we negotiate with to recruit through Local Employment Partnerships. Because the arrangements for LEPs are very decentralised, we will want to make sure that, where an commitment has been given nationally, local managers are actually offering local disadvantaged people all the help that they could. This might include some elements of the Government's menu of options or other measures agreed locally but we should encourage them to sign up for as generous a range of provision as possible.

There are union tasks in companies that are recruiting through LEPs. In addition to a large number of local authorities and NHS Trusts, the businesses that are already implementing LEPs include:

- | | |
|--------------|---------------------------|
| • ASDA, | • EDS, |
| • B&Q, | • First Bus, |
| • Centrica, | • Royal Bank of Scotland, |
| • Co-op, | • JD Wetherspoons, |
| • Debenhams, | • Jury's Inn, |
| • DWP, | • McDonalds, |

Prosperity for All in the Global Economy, HMT, 2006, p 118.

Tackling Poverty and Extending Opportunity, HM Treasury, 1999.

- Marks & Spencer,
- Norwich Union,
- Sainsbury's,
- Servisair,
- Tesco, and
- Travelodge.

World Class Skills: implementing the Leitch Review of Skills in England, DIUS, 2007.

Most of these companies either recognise unions already or are priority targets for organisation. Additionally as part of its response to the Leitch report, the government launched a Skills Pledge in order to encourage employers to publicly commit to training the workforce to at least Level 2 (the equivalent of 5 good GCSEs) with support from Skills Brokers employed as part of the Train to Gain programme. During the first year almost 4,000 employers covering almost 4.4 million employees have made the pledge. A number of unions have been instrumental in encouraging sign up, in some instances signing jointly with the employer. Some organisations that have signed the Jobs pledge have also signed the Skills pledge and where these organisations are unionised there is an opportunity to ensure that new starters get the opportunity to develop and progress their skills, assisted by a Union Learning Representative.

And there are other good trade union grounds for taking an interest in what happens to people taken on as employees through LEPs:

- Jobcentre Plus says that, where employers that have signed up to offer work experience or Work Trials (a short period of trying out work, when an individual can find out if the job is right for them and the employer can confirm that they have recruited the right person for the job; a separate TUC briefing on *Work Trials* is available) the expectation is that successful Trials will lead to a permanent job. Unions will want to check that this is happening – abuse of these schemes by employers would be unfair to the individuals themselves and could threaten the jobs of existing workers.
- We will want to make sure that workers recruited under the LEP get the same terms and conditions as other workers – we don't want anyone to be a second-class worker.
- People who have started work after a long period on benefit may well feel insecure; the union can offer them extra support, such as making an extra effort to tell them about the benefits of membership or offering them support from the union learning and health and safety representatives.

Checklist

- Is your employer recruiting people through LEPs on the same terms and conditions as anyone else?
- Do people recruited through work experience or Work Trials have a genuine chance of a permanent job?
- Is the employer offering all the support the Government has suggested? Could they
 - Offer a target number of jobs for disadvantaged individuals?
 - Offer special pre-employment training for potential recruits?

- Offer a job or interview guarantee for people reaching a minimum standard?
- Review their recruitment processes to stop excluding disadvantaged applicants?
- Guarantee a sympathetic hearing for requests for flexible working?
- Do you make a point of making sure that people recruited through Local Employment Partnerships are asked to join the union?
- Do union learning and health and safety reps check whether they are getting the support they need?

Appendix: employment 'gaps'

Employment rates and employment rate gaps for disadvantaged groups (GB)

| | Employment Rates | | Employment Gaps | |
|--------------------------|------------------|-------|-----------------|-------|
| | 1997 | 2007 | 1997 | 2007 |
| All | 72.6% | 74.3% | | |
| Over 50s | 64.7% | 71.6% | 7.9% | 2.7% |
| Ethnic minorities | 56.2% | 60.1% | 16.4% | 14.2% |
| Lone parents | 45.3% | 57.2% | 27.3% | 17.1% |
| Disabled people | 38.1% | 47.2% | 35.1% | 27.1% |
| Lowest qualified | 51.7% | 50.1% | 20.9% | 24.2% |

Source: *Opportunity for All*, DWP, 2007.

In the first column, the figure for disabled people is for 1998.