

Written evidence from Demos DES0042

Who we are

Demos is Britain's leading cross-party think tank, with a 30-year history of high quality research, policy innovation and thought leadership. Our vision is for a more collaborative democracy, in which politicians partner with citizens to embolden them to tackle the big, difficult problems.

Our employment support research and policy relates to two of Demos's strategic programmes: *Inclusive Economy* and *Public Service Reform*.

In our *Inclusive Economy* programme, we investigate how to build an economy where everyone participates and contributes to shared goals and where, as a consequence of that contribution and participation, there is an equitable distribution of the benefits. An inclusive labour market is essential for an inclusive economy, and our research has therefore focused on enabling higher participation in the labour market, partly through employment support services.

In our *Public Service Reform* programme, we focus on changing public services so that they build strong, trusting relationships between professionals and service users, building on the emerging locally-based public services paradigm which sees all citizens as active partners in the design of public services, rather than as passive consumers. Our research has included several projects looking at how to apply this paradigm to delivering employment support services, including in local areas with devolved services.

Our recent research relating to employment support includes:

- [The Platinum Pound: Boosting employment among older workers](#) (2023), which investigated why the UK is an international outlier in experiencing a fall in the employment rate of over 50s and explored older people's attitudes towards work and retirement.
- [A Tapestry of Services: Employment, skills and careers support in East Birmingham and North Solihull](#) (2023), which examines how employment, skills and careers services work on the ground in a local area which is socioeconomically deprived and has high unemployment.
- [I Can case study: Creating a pathway to entry-level employment in the NHS](#) (2023), a case study of the 'I Can' programme, a partnership between multiple organisations designed to support people to move into employment in health and social care in Birmingham and Solihull.
- [Understanding 'Early Exiters': The case for a Healthy Ageing Workforce Strategy](#) (2022), which explored the experiences of older workers with health conditions who had left employment during the pandemic.
- [Working Together: The case for universal employment support](#) (2022), a report which set out reforms to the employment support system in order to improve outcomes by strengthening relationships, providing joined-up services for individuals and employers, and supporting the UK economy to adapt to demographic and technological change.

We also have two ongoing research projects related to employment support:

- *The Future of Youth Hubs* (working title) is investigating DWP Youth Hubs, aiming to understand more about their strengths and weaknesses, including the local partnerships between DWP and other organisations running them, and what policy makers should do to support and improve their effectiveness.
- *Open Door* (working title) is a project involving participatory research exploring how to make employment support and/or careers advice more accessible, including to groups who are currently largely excluded, for example, people who are economically inactive and people who are in employment but considering leaving the workforce.

This submission has been prepared by Andrew Phillips, Senior Researcher at Demos.

What are the main opportunities associated with further devolution of employment support?

In our view there are four opportunities associated with further devolution of employment support.

First, devolution offers the opportunity for greater local flexibility to respond to differences between and within local economies and local communities. Currently, local areas don't have enough opportunities to shape employment, skills and careers services so that they support local strategies, priorities and needs. Jobcentre support, and some programmes like Restart, are run and/or designed primarily by central government. Anecdotally, this sometimes causes problems: for example, in our research we have heard that individuals can be referred to inappropriate programmes because these programmes have already been 'purchased' by DWP centrally, which helps neither the individual nor the employment support provider. Similarly, siloed funding streams prevent organisations from working together, as interviewees told us in our research in East Birmingham and North Solihull - for example, providers told us that sometimes they would like to refer an individual to a particular programme which would be well-suited to their needs, but are prevented from doing so by funding rules.

Second, devolution offers opportunities for the integration of services. In particular, there are opportunities to improve integration between:

- Employment support services (rather than having multiple disconnected programmes - see next point)
- Employment support, skills and careers advice services
- Employment support and health services

There is already good partnership working between organisations and services, but often there are barriers as well, for example between employment support and the skills system, or a lack of data sharing between DWP, Local Authorities and other organisations. As we wrote in our research in East Birmingham and North Solihull: 'Many service providers do important work to facilitate communication and partnerships, but often do so *despite* the structures they work within, rather than being enabled by them.'

Third, devolution offers the opportunity for simplification. Currently, in many areas there is a baffling array of different programmes, schemes and providers. In our research in East Birmingham and North Solihull, we described this as a 'tapestry of services'. To illustrate the point, in our report we provide a non-exhaustive list of over 50 different programmes or providers with different geographies, funding streams and eligibility requirements. In qualitative research with citizens, employers and providers we have heard that this complex landscape is difficult to navigate. Indeed, provider organisations often have to 'market' their own programmes/schemes entirely independently of each other, each with their own brand and application processes. This can apply both to attracting participants to use the employment support service, and to employers. In our

research in East Birmingham and North Solihull, we heard that, in effect, each organisation does its own separate promotion/marketing to employers, despite being similar to each other (offering help to fill vacancies or upskill employees) – which can be frustrating for employers.

Devolution offers an opportunity to simplify this landscape, raising awareness of the support which is available and making it easier to access. To give a specific example, the government is trying to expand its 'Universal Support' offer to people who are economically inactive, but in practical terms this is adding another separate programme to all the existing ones. Unsurprisingly this means that awareness of this programme is low among the very people it is trying to support.

Fourth, devolution offers the opportunity to improve engagement. Currently, too many people are excluded from employment support services. This is because most employment support is routed through DWP Jobcentres, which largely excludes everyone outside the social security system. Devolution offers the opportunity to engage with more people in a more consistent way - and indeed many local areas already have a devolved employment support offer which has wider eligibility or is universal. For example, many existing DWP Youth Hubs which operate on a universal model support young people who are not receiving Universal Credit. Similarly, around one in five (20%) people who are 'economically inactive' say they would like a job in principle, but very few people in this group currently access support, or know where to go to get support.

It is important to emphasise that Jobcentres as they currently operate are not a public service - people are turned away at the door if they do not have a Universal Credit appointment. A devolved system offers the opportunity to develop a public employment service which offers support to anyone who wants it - which in our view should be the underlying principle, especially given the growing number of people who are economically inactive.

What might be some of the unintended consequences of devolving employment support?

Although we have outlined a number of opportunities from devolution above, these are by no means guaranteed.

There is already some devolution in the West Midlands and in Birmingham, for example, and this has not fully led to 'integration' or 'joined up services' (although there are some good examples of partnership working - see below).

There is a risk that devolution simply adds further new programmes and services to the existing confusing landscape. This appears to be what happened in Scotland, where the Scottish government introduced a new, voluntary employment support service called Fair Start Scotland. Although there are positive aspects to this service, an evaluation published in 2021 said that 'providers and local stakeholders [...] felt the local employability landscape in each area remains cluttered and confusing to navigate for participants as well as those engaged in the delivery of employability services.' This shows that devolution does not automatically lead either to 'simplification' or 'integration'.

There is also a potential risk about branding/marketing of employment support services. If each region/local area develops its own employment support 'brand' for example, an opportunity is missed to develop a national brand. Awareness of most employment support organisations and programmes is very low (with the exception of Jobcentres). There is, potentially, a strong argument

for a single national brand in England which acts as a 'front door' to employment support services in each local area.

For example, we have found in our research that DWP Youth Hubs suffer from this branding problem, in the sense that there is no real 'Youth Hub' brand, and so each individual Youth Hub has to do its own brand development, marketing and so on (for those that provide universal access to all young people in the area).

What impact could greater devolution of employment support have on the consistency and quality of scheme delivery? How could consistency be maintained across a more devolved system?

There is already inconsistency in the current system. Employment support provided by Combined Authorities, Local Authorities, private sector companies, the NHS and charities differs from one area to another.

There are two different types of consistency. One is in 'branding', and the other is in 'delivery'.

On branding, there is in our view a strong argument for greater consistency. This could be a national brand - as we suggested with our proposal for a 'Universal Work Service' - or a regional brand, such as 'Working Wales' or 'EmployGM' in Greater Manchester. The aim should be to simplify the existing confusing landscape of services for citizens, employers and providers.

On delivery, greater flexibility is one of the advantages of devolution. In our view it would be better to hold devolved areas accountable for outcomes, and give them flexibility to decide how they want to deliver their services. In a devolved system, however, there should be an underpinning national framework setting out key outcomes, objectives and principles (but not precise delivery requirements).

How might devolving employment support impact the relationship between jobseekers and DWP?

In our research, we have found that current relationships between jobseekers and DWP are often characterised by low trust due to the influence of benefits administration and compliance management. Jobseekers we have spoken to quite often praise individual DWP Work Coaches, but their relationships are negatively impacted by the Work Coach's role in the benefits conditionality and sanctions system, as well as by the overall environment of Jobcentre buildings themselves.

It is also important to emphasise that, according to claimants, most Work Coach appointments are short (10 minutes or less - sometimes less than 5 minutes), and that the appointments tend to focus on benefits and conditionality, rather than employment support. Work Coaches to a large extent rely on referring people to other organisations which provide the actual employment support.

A more devolved system would therefore not represent a significant change from the status quo for many people, if Jobcentres are retained in broadly their current form.

A more radical proposal - one which we have advocated - is to separate employment support and benefits administration. This would increase trust in the employment support part of the system by clearly delineating the two roles which are currently combined into one (in theory) in the role of a Work Coach.

We have previously recommended a 'Universal Work Service', devolved to regions/local areas, which would be responsible for providing employment support. Universal Credit and other working-age benefits should continue to be administered at a national level, recognising the advantages of a national system with uniform entitlement rules.

How should employment support be devolved?

To support the aim of simplification (see above), funding should be allocated in a simpler way. At the moment there are too many different funding schemes and programmes which are disconnected from each other.

Employment support should be devolved to sensible local economic geographies, such as large travel-to-work areas: employment support is affected by, and can make an important contribution to, the local economy, and so its governance should sit at that level.

Combined Authorities in England are the most appropriate tier of government to which to devolve overall responsibility for employment support. This supports the principle of integration (see above) since Combined Authorities already have responsibility for the adult skills system through the Adult Education Budget. This is also the clear direction of travel through the Trailblazer Devolution Deals with Greater Manchester and West Midlands Combined Authorities, which reference a 'co-design' approach between the Combined Authority and DWP for future employment support programmes.

In more rural areas, it may make sense to devolve employment support to single Local Authorities (for example, Cornwall) given the complex landscape of regional and local tiers of government in England.

The devolved administrations of Scotland, Wales and Northern Ireland should have responsibility for employment support. The Welsh government has already developed a regional 'brand' bringing together various different employment support schemes and careers advice under the 'Working Wales' brand, for example.

DWP has a crucial role to play in supporting a devolved system:

- Many locally-run programmes and schemes are heavily reliant on receiving referrals from Jobcentres at the moment. If the current Jobcentre structure is retained, DWP should work with devolved areas (e.g. Combined Authorities) to agree principles or criteria for referring individuals from Jobcentres to the devolved system. Youth Hubs are an example of this:

these are locally-run partnerships between DWP and other organisations, but largely rely on referrals from Jobcentres.

- DWP should be responsible for establishing a national framework - although this should set out outcomes and principles rather than precise details of delivery.
- Improving data sharing is a key area for improvement. Data sharing between the Jobcentre part of the system and other organisations is often quite poor. We have found this to be the case for many organisations running Youth Hubs, for example. In a more devolved system, it is imperative that DWP improves data sharing with partner organisations (both commissioning organisations like Combined Authorities, and delivery organisations). For example, some Youth Hub partner organisations have told us that DWP don't share outcomes data with them - so they are entirely reliant on young people self-reporting whether they have got a job or not for the purpose of tracking outcomes.

What impact might devolving employment support have on jobseekers with additional needs?

There are a number of different programmes designed to support jobseekers with additional needs, especially those with health conditions or disabilities, but these are spread out across DWP, contracted providers, the NHS and regional and local tiers of government.

If done well, devolving employment support *could* improve people's experiences by simplifying the landscape and creating a clear 'front door' for people to use to access employment support.

Our research shows that it is unlikely that people with health needs or disabilities will trust DWP or Jobcentres to deliver this kind of 'front door' service, because of DWP's poor reputation with people with health conditions or disabilities. For that reason, a national or regional 'front door' or 'gateway' to the different types of employment support available for people with additional needs could be effective.

This doesn't necessarily mean spending more money or creating new programmes: in our view we could make much better use of existing programmes and resources.

Which comparator examples could the Committee consider?

We recommend that the Committee consider the following examples of online resources:

- [Working Wales](#), which aims to bring together multiple services under one 'brand'
- [EmployGM](#), which also aims to serve as a 'front door' or 'gateway' to different advice, guidance and services in Greater Manchester

We recommend the Committee consider the following examples of partnership working to provide employment support locally:

- [The Link, Walsall](#), which is a new universal service offering support to all Walsall residents by bringing together multiple partners in a 'one stop shop' approach in an office on the local high street.
- [The 'I Can' programme](#) which is designed to help unemployed and young people from Birmingham and Solihull into entry-level jobs in health and social care - a good example of connecting employment support to the 'demand side' of employer's needs, as we wrote about in [our case study of the programme](#).

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