

Written evidence submitted by Institute for Employment Studies (IES) (RJ0033)

The Institute for Employment Studies (IES) is a leading independent, international centre for research and consultancy established for over 55 years. We provide evidence-based insights on employment, education, workforce, and human resource management to help improve policy and practice. A focus on public and private employment services to foster labour market participation is a key and consistent feature of our portfolio. The institute is not-for-profit; our activities are funded through research and consultancy commissions, and from corporate membership. In 2023 we acquired the Involvement and Participation Association (IPA), bringing a sharp focus on the power of employee voice and engagement to productivity. Our team comprises over 60 permanent, multidisciplinary staff and over 30 associate researchers and consultants.

We are submitting evidence as we believe improving the functioning of jobcentres and the approach to employment support are crucial parts of achieving better quality work outcomes to contribute to economic and social outcomes for individuals and the country.

The Labour Government has set an ambitious target for 80% employment in the UK working age population. To achieve this, given demographic change and tightening migration policies, means supporting and achieving the labour market participation of a highly diverse population many of whom face labour market disadvantage. This includes disabled people – where narrowing the employment gap has stalled¹ and older workers – where progress on increasing employment rates is slow at best.² Post-pandemic the UK has witnessed rising rates of economic inactivity, driven in large part by ill-health. Economic inactivity among young people outside of education is prevalent.³ IES' analysis shows that increasingly those who are economic inactive are people with long histories of not working, having spent more than five years without work.⁴ This all suggests that support needs of people we need to work to reach the 80% target are increasingly complex. In turn this indicates that support must be carefully tailored to achieve high quality employment outcomes that deliver to economic and social goals.

Many people who are economically inactive do not have contact with mainstream employment support provision through Jobcentre Plus and outsourced providers; it is currently not a publicly accessible service instead targeted at benefit recipients. The funding landscape has changed with the demise of European Support Funding and introduction of UK Shared Prosperity Fund has affected the amount of non-statutory provision centred on employment and employability available that can attract those furthest away from the labour market. Furthermore, there is significant variation in provision.⁵ The employment support system in a locality is a complex, localised landscape

¹ <https://www.gov.uk/government/statistics/the-employment-of-disabled-people-2024/the-employment-of-disabled-people-2024#introduction>

² <https://ageing-better.org.uk/news/closing-employment-gap>

³ https://x.com/YF_Foundation/status/1891814529819906448

⁴ <https://www.employment-studies.co.uk/system/files/resources/files/Working%20for%20the%20Future%20-%20Executive%20Summary.pdf>

dependent on a mix of funding from different national and local level sources. The different departmental responsibilities between Department for Work and Pensions (employment) and Department for Education (careers, education, and skills) can lead to differing emphases in the use of the various referral sources and programmes in the public employment support system. The careers service can be seen as an adjunct rather than meaningful, essential service; referrals to skills provision may be deprioritised due to lock-in risk.

The plan to bring together employment and careers services, with a focus on local and regional skills demand, is undoubtedly the right approach but care is needed on the implementation model for change to be realised.

The purpose of Jobcentre Plus

Jobcentre Plus is the public employment service in the UK and has a history going back over a century. In the last 20 years, key changes include the 2001 merger with the benefits agency and shift to direct delivery managed by Department of Work and Pensions. Jobcentre Plus takes a 'work first' approach with regular meetings (every one to two weeks) focused on job search to support rapid entry to employment. Up to a point, this has proved effective in terms of employment entry and off-flow although less so on sustained employment. IES estimates that jobcentres support over two million newly unemployed people each year, with work coaches delivering support to those who are unemployed for less than nine months.⁶

However, alongside this focus on work first rapid activation, has come rigid conditionality, a compliance culture with severe sanctions including requirements to apply to a specified number of vacancies each week and to be engaged in job-seeking for 35 hours per week. There is very limited personalisation in the commitments claimants must meet to receive benefits. This leads to application volume rather than application quality, with detrimental effects for employers and individuals. Requirements are monitored through the claimant commitment. It leads to customers perceiving jobcentres as less as a support service than a benefits administrations body.⁷ Suggestive of this is our analysis of the Labour Force Survey that demonstrates declining numbers of people over 20 years visiting jobcentres as a means to find work.⁸ Jobcentres are not used in any systematic way by employers to fill vacancies further contributing to this perception. This was an issue that the Labour Government in 2008 wanted to turnaround but did not achieve.⁹ Claimant commitments centring on the number of jobs applied for, rather than the quality and match of those jobs to skills and capabilities limit perceptions of jobcentre being a useful form of support.¹⁰

⁵ <https://www.gov.uk/government/publications/plan-for-jobs-cross-cutting-evaluation-wave-1-and-2-synthesis-report>

⁶ <https://www.employment-studies.co.uk/system/files/resources/files/Working%20for%20the%20Future%20-%20Launch%20Report.pdf>

⁷ <https://www.youngwomenstrust.org/wp-content/uploads/2020/12/Working-well-report.pdf>

⁸ <https://www.employment-studies.co.uk/system/files/resources/files/Working%20for%20the%20Future%20-%20Launch%20Report.pdf>

⁹ <https://www.theguardian.com/politics/2009/mar/18/vanancies-jobcentres>

¹⁰ <https://www.gov.uk/government/publications/health-led-employment-trials-evaluation/health-led-trials-evaluation-synthesis-report>

For people who are not currently engaged, the system and rhetoric on benefits receipt can make jobcentres feel unapproachable. Research with various groups including parents with low incomes¹¹, young people¹², disabled people and those with long-term health conditions, and groups not engaging with jobcentres¹³, indicates that the environment can be off-putting with security at the doors and the pressure to fulfil generic conditions that are not responsive to their needs and goals can deter people from accessing support. Support options in the community with different branding can get employment support to people who would not readily enter their local jobcentre.

The claimant count includes substantial numbers of people in work who also need support. Achieving increased hours or pay rates is not straightforward for many and this notion of progression ignores the wider social determinants of health (the advancement concept from Denham was more embracing of these). Collaborating with employers to build opportunity is important.

To be able to fulfil a role in supporting people to make progress towards, enter, sustain, and progress in employment both practice and perception of jobcentres needs to change – and that will require a ‘rebrand’. The support offered needs greater emphasis over benefits administration. For those furthest away from the labour market, support in the places where they are, as part of a wider support offer and linked to the local labour market is important. They need cast iron guarantees that employment support is available and will meet their need.¹⁴ Tailored support and vocational profiling for individuals and engagement with employers should all be key features. Outsourced providers have considerable expertise particularly with the long-term workless group which the Department should continue to capitalise on this for those most in need.

The experience in Jobcentre Plus

The White Paper captures the function, operation, and limitations of Jobcentre Plus in its current form well. It notes high levels of customer satisfaction with work coaches and research over time indicates this to be the case. The 2015 ESA Reform Trials¹⁵ showed rapport between customer and coach/adviser to be instrumental in progress towards and into the labour market. It showed it takes belief on both sides that the customer can find and sustain work that is suitably adapted and well matched to goals, skills, and strengths and crucially opportunities in the labour market accessible to that customer. However, both sides need to share ambition that the customer can work and build towards employment – customers can be as content with support that agrees that work is not possible for them.

The service that customers access typically starts with an initial assessment to inform referral pathways, which tend to be differentiated by predetermined characteristics (such as age, health, and unemployment/inactivity duration). Once the pathway is determined, support can focus more fully on the individual’s experience rather than a broader brush

¹¹ <https://assets.publishing.service.gov.uk/media/5a7ab213ed915d670dd7df36/747summ.pdf>

¹² <https://www.gov.uk/government/publications/youth-offer-process-evaluation>

¹³ <https://dera.ioe.ac.uk/id/eprint/1364/>

¹⁴ <https://www.employment-studies.co.uk/system/files/resources/files/Exec%20Summary%20Commision%20final%20report.pdf>

¹⁵ <https://www.gov.uk/government/publications/employment-and-support-allowance-trials-2015>

conceptualisation of their needs. Work Coaches will lead support for the newly unemployed with few obstacles as a rule with a period of rapid activation. At this point, personalisation becomes key and it is important to understand the individual to shape support – otherwise it feels generic and poorly matched.¹⁶ Research including for the Health-led Trials evaluation¹⁷ demonstrates how people with long-term health conditions appreciated and felt employment support was well matched to their needs where vocational profiling was conducted and their focus could be on applying for a small number of suitable vacancies. They contrasted this with their experience at jobcentres where they were tasked with applying to a high number of vacancies which meant they had to apply to jobs that were not suited to their needs and capabilities. Our polling for the commission suggests this view is emulated elsewhere as people in touch with other employment services, rated these more favourably than jobcentres.¹⁸

Hence while there are good levels of satisfaction with work coaches, the model of support is not so satisfactory. It is the ability of the work coach to personalise which makes a difference to how they are viewed. Given the high volumes they support, this does present a challenge and so a more collaborative approach and sharing responsibilities between employment and careers support makes sense.

Where the service should be delivered is an important consideration and our view is that it needs to be multi-mode with digital channels alongside high street premises and co-location in communities. While the benefit of the Jobcentre Plus estate is location (central in towns) delivering the new employment and careers service from these premises, even with a rebrand, may mean a shift perception of what is delivered in these premises is harder to achieve (there will be a perceptual legacy of the premises). Equally, more localised services delivered where customers are in community hubs and centres would bring employment support to where people are and a focus on holistic support to address needs if co-location is established. The Youth Hubs are an example where this worked well but this type of model requires sustained funding and a systems approach to support lasting change.

Digital support is and should be part of the solution and can ensure services and resources are widely accessible and can be delivered cost effectively.¹⁹ But care is needed since access to digital resources is not equal or equitable. Telephone modes as seen in the careers service should be retained as these are widely accessible. Equally digital self-help tools only go so far and can seem superficial.²⁰ Digital services and careers bots provide the opportunity to deliver at volume, and there are multiple examples of careers bot services but there needs to be handover to human advisers at crucial points, to ensure advice is tailored to need.²¹ Our commission report provides a process

¹⁶ Eg <https://www.youngwomenstrust.org/wp-content/uploads/2020/12/Working-well-report.pdf>

¹⁷ <https://www.gov.uk/government/publications/health-led-employment-trials-evaluation/health-led-trials-evaluation-synthesis-report>

¹⁸ <https://www.employment-studies.co.uk/system/files/resources/files/Working%20for%20the%20Future%20-%20Launch%20Report.pdf>

¹⁹ https://demos.co.uk/wp-content/uploads/2024/07/Open-Door-Policy_2024_July.pdf

²⁰ Undertaking a skills and careers interest assessment on NCS generates three traits (helper, analyst, driver/motivated) but three generic careers areas sports and leisure, retail and sales, and hospitality and food that do not feel well matched. There is no insight into what informed this and how assessing these traits identified strengths and potential.

diagram for moving through a digital-to-human led experience ensuring specialist and in person support is available to those who need it. This is underpinned by the firm belief that services on the high street and in communities, where people can easily travel to are an essential of the new service.

Building on existing resources that provide novel insights into skills within occupation and could be developed further for use in the service and more widely. For example, the NESTA-developed careers causeways map²² for declining and growth occupations shows how skills can map across occupations and where skills transitions could be achieved. Exploiting large data models such as this, based on skills scrapes and occupational mapping to underpin digital self-help resources would aid transparency over some of the more simplistic ‘apps’ currently available. However, developing such resources is unlikely to be the best use of resources for the new service.

Collaborative working by Jobcentre Plus

Jobcentre Plus has a long history of connection – but not necessarily sustaining the connections over the long-term. Some of the strongest relationships are with employment support organisations (through contracted out services) and the ReACT partnership work shows how collaboration can be fostered to improve outcomes.²³ National contracting supports continuation in the connection with these providers and the competitive but collaborative context in which this operates works well.

The connection with other external partners is also typically strong but can vary by locality and be affected by changes in national policy direction. For example, the Plan for Jobs provisions could be disruptive to existing collaboration in local employment systems.²⁴ There is evidence of effectiveness of connection with schools²⁵ but also of local variation. National funding schemes are a key driver of jobcentre priorities, and this can determine the longevity of some of the connections. While continuing with interventions and programmes judged ineffective would be counterproductive, some longer term funding to support sustainability where effectiveness is established would be welcome to support sustained connectivity in local employment systems.

Working with and being understood as a service that can meet the needs of employers is crucial. While managing vacancies is a part of this, the changing labour market indicates a need to be able to continue to engage with employers at a time where they have limited vacancies. The service will need to respond to employer intentions to build up hours and/or pay for existing employees, rather than take in new employees alongside being responsive to vacancies as they arise. Coordinating services for large employers, across contract package areas should be a consideration but will be a challenge given devolution and the localised direction of travel. From employers’ perspective having a single point of

²¹ <https://www.thecdi.net/CDI/media/Write/Resource%20library/CDI-Use-of-AI-and-chatbots-Briefing-paper-June-2023.pdf>

²² <https://data-viz.nesta.org.uk/career-causeways/index.html>

²³ <https://ersa.org.uk/news/react-partnership-research-shared-employer-engagement-what-works/>

²⁴ <https://www.gov.uk/government/publications/plan-for-jobs-cross-cutting-evaluation-wave-1-and-2-synthesis-report>

²⁵ <https://assets.publishing.service.gov.uk/media/5abd01e8ed915d44eb7e697a/evaluation-of-jobcentre-plus-support-for-schools-programme.pdf>

contact who disseminates opportunities through to local bodies may be effective but achieving this connectivity could be challenging.

The service needs to be able to work within regional and local employment systems that have unique features in their composition and local drivers of customer experience. Connecting with local coordinating bodies on economic growth and employer engagement will avoid duplication and will be an important facet of understanding and being able to work effectively in the varied contexts of local labour markets.

Careers services

Careers support can help people realise and communicate their strengths and capabilities to support their entry and progression in work. Employment support can build agency, job seeking skills and lead work on 'the other side' brokering with and supporting employers on matters including workplace adjustments and job carving to support people with more complex needs into work. A combined employment and careers services should focus on supporting people to advance in their careers (including improving skills levels) while also ensuring that employers consider opportunities for upskilling and progression (rather than allowing employee skills to stagnate).

The two current services – with their differing departmental affiliations – must combined in such a way to feel authentically integrated to customers. Up to now, use of the national careers service has been a referral pathway from Work Coaches, 'to get your CV done'. Customers may not understand what the process of CV development might deliver for their understanding of their strengths, work opportunities and confidence. This need for authentic integration – not just the look but the feel of the service too - leads to our recommendation for distinct branding between the New Jobs and Careers Service and social security delivery in our commission report.²⁶

The realities are that many people have a very limited experience of careers support to know what to expect or ask for and people with low confidence from lengthy spells of inactivity and unemployment are often at a low ebb in terms of understanding what they have to offer related to jobs available locally. A similar situation exists for people who are from low-income communities, have low levels of qualification, are from marginalised communities or bring qualifications from other countries which may not be fully recognised in the UK, more intensive support is required. The new service will need to set out its stall – what it can offer to support people and how the careers element integrates with employment support and job search activity. It needs to ensure that those who need it get more intensive and extensive support. Customers will want the reassurance of the connection of the support they receive to the demands of and opportunities in the labour market accessible to them. Connecting with the skills system is an essential part and increased devolution of skills should mean provision is tailored to local and regional contexts.

The extent to which the new employment and careers service should dedicate significant resource on future skills anticipation is questionable since there are multiple sources of information already. This covers industry and occupation growth and decline, with links to

²⁶ <https://www.employment-studies.co.uk/system/files/resources/files/Working%20for%20the%20Future%20Final%20Report.pdf>

the core/common set of essential skills that are in demand, which might be most important in generalised advice.²⁷ Instead, the focus should be on how the service can action insights from the work of others in this support it offers (whether that is from Skills England, Unit for Future Skills (UFS), IfATE via occupational standards and maps²⁸, or independent research). Nonetheless, we see a clear role for investment in data and insight – working with local partnerships to support development of local datastores and support join up national government initiatives on skills and employment data.²⁹ We envision new local labour market partnerships to provide the nexus for this. This insight and data can feed into national digital data resources to provide more detailed information on occupational and skills change.

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²⁷ <https://www.nuffieldfoundation.org/project/the-skills-imperative-2035>

²⁸ <https://www.instituteforapprenticeships.org/occupational-maps/>

²⁹ <https://www.employment-studies.co.uk/system/files/resources/files/Exec%20Summary%20Commision%20final%20report.pdf>

