

## Written evidence from the Shaw Trust [PCW0058]

### 1. Introduction

- 1.1 Shaw Trust is a charity that aims to help people improve their life outcomes, and be the best they possibly can. We do this through employment, education and care services. We take great pride in advocating for the social changes required to ensure that the people and communities we serve are protected, strengthened and able to improve their circumstances.
- 1.2 Shaw Trust is the DWP's largest not-for profit provider of employment support. We work with more than 100,000 people seeking jobs and new careers each year. Our response to this inquiry focuses on three key areas; Covid-19 and its potential long term labour market impacts, some of the labour market changes and impacts brought about by the fourth industrial revolution, and the DWP's response to the changing labour market.

### 2. Summary of recommendations

- Social care wages should be lifted to the level of the real Living Wage.
- Government and providers should work together to develop sector route-ways into employment.
- Government must launch the UK Shared Prosperity Fund (UKSPF), as planned in April 2021.
- The DWP should develop a competence framework for Assistive Technology (AT) practitioners, and other relevant professionals, to quality assure AT advice and assessment delivered through Access to Work, Personalised Independence Payments and other government schemes.
- The DWP should produce of a formal 'lessons learnt' document as we emerge from the Covid-19 pandemic, to capture and implement lessons learnt from the crisis, in regards to commissioning, contract management and service delivery.
- The DWP should ensure employment and skills provision allow participants to be transferred across to alternative, more appropriate, provision as and when required.
- As JCP up-scales the DWP should utilise the existing network of expert employment support providers as much as possible to ensure jobseekers can get timely employment support.
- Current levels of support for those jobseekers with employment equality gaps pre-Covid, for example, disabled people, must be extended to reflect the changed labour market.
- The DWP should review the job description of Work Coaches and the amount and type of training they receive to ensure they have the guidance and support they need to meet the role the Department wants them to play.
- Ahead of the Autumn Budget, the DWP must consider what additional support they should offer to those looking to change career, reskill and retrain, particularly older workers.
- Consideration should be given to expanding a National Careers Service style model to those under 18.
- The split in skills, education and employment provision between DfE and DWP should be reviewed to break down silos between the departments.

### 3. Covid-19 and the lasting labour market impacts

#### Overview

3.1 The impacts of the Covid-19 pandemic and accompanying recession will be felt in various forms, but the shockwaves sent through the UK labour market are set to be some of the hardest felt and long lasting. Evidence from previous recessions shows us that unemployment tends to fall slowly after recessions – typically leading to higher long-term unemployment, with lasting ‘scarring’ effects on individuals and the economy.<sup>1</sup> On the whole the impacts of coronavirus have been more evenly spread geographically than has been the case with previous economic downturns, but the unique aspect of the current economic downturn is the sectoral nature of it.

3.2 Overcoming the detrimental impacts of the coronavirus pandemic is set to frame government policy for much of the coming decade. Yet, societal and labour market inequalities apparent pre-Covid must not be ignored; on the whole they will be much exacerbated post Covid. As an overview we think four areas require particular attention:

- o *Sectoral changes*: Covid-19 has hit some sectors much harder than others. For example, hospitality, non-food retail and leisure industries – sectors which are often an entry point into the labour market for young people, and many of Shaw Trust’s programme participants.
- o There is a significant *skills gap*: It is already thought that 40% of the workforce do not have appropriate qualifications/skills for their job, and this is set to increase significantly by 2030<sup>2</sup>. The digital divide further exemplifies the skills gaps the UK faces; it is estimated that over 10 million UK adults still have either no or very limited digital skills.
- o *Meaningful and good work*: The growth of atypical work has been a trend of the 2010s. This has been one of the drivers of high levels of in-work poverty (which stands at 18%), which, alongside child poverty, has been predicted to increase further<sup>3</sup>. With the disruptive impacts of automation set to accelerate as we approach 2030, there will need to be continued focus over this decade on what ‘good’ work is,<sup>4</sup> what skills are needed for the jobs of the future,<sup>5</sup> and how we support those in low pay to progress in work<sup>6</sup>.
- o *Supporting those with employment equality gaps*: Those out of work, in particular groups who faced employment opportunity and equality gaps pre-Covid, such as disabled people, are likely to be impacted disproportionately by the pandemic. In weaker jobs markets, those already out of work will fall further behind.

#### Covid-19 impacts on jobseekers

3.3 The reported sharp rise in claimant unemployment<sup>7</sup> and 50-70% reduction in advertised vacancies nationally<sup>8</sup> is reflected in what Shaw Trust is seeing on our employment support provision. We are seeing cases of people we have just found work either losing

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<sup>1</sup> <https://learningandwork.org.uk/news-and-policy/act-now-to-tackle-record-rise-in-unemployment-and-prevent-long-term-damage/>

<sup>2</sup> <https://industrialstrategy.council.org/sites/default/files/UK%20Skills%20Mismatch%202030%20-%20Research%20Paper.pdf>

<sup>3</sup> <https://www.ifs.org.uk/uploads/WP201912.pdf>

<sup>4</sup> <https://www.thersa.org/discover/publications-and-articles/reports/blueprint-good-work>

<sup>5</sup> <https://www.weforum.org/agenda/2018/09/ai-and-robots-could-create-as-many-jobs-as-they-displace/>

<sup>6</sup> [https://www.rec.uk.com/\\_data/assets/pdf\\_file/0018/460071/REC-Future-of-Jobs-Report-Web-13.10.17.pdf](https://www.rec.uk.com/_data/assets/pdf_file/0018/460071/REC-Future-of-Jobs-Report-Web-13.10.17.pdf)

<sup>7</sup> <https://commonslibrary.parliament.uk/research-briefings/cbp-8898/>

<sup>8</sup> <https://www.employment-studies.co.uk/resource/weekly-vacancy-analysis-vacancy-trends-week-ending-5-july-2020>

their jobs or being furloughed. The influx of newly unemployed people is making it harder for those unemployed before the Covid crisis to find jobs.

- 3.4 There should be real concern that the disability employment gap will widen in coming years. Disabled people faced considerable employment equality gaps before the Covid crisis – evidenced by the fact that the disability employment gap has remained stubbornly static at around 30% for over a decade. In addition, research shows that disabled people already have to work harder for job opportunities, are over-represented in precarious work, earn less on average and are twice as likely to lose their job. During the current crisis, most layoffs in recent months have occurred among low-paying jobs, where disabled workers often find themselves<sup>9</sup>.
- 3.5 Covid-19 has hit some sectors much harder than others. For example, hospitality, non-food retail and leisure industries – sectors which are often an entry point into the labour market for young people. Jobs in other sectors, such as health, social care, and key public services, have held up (or even increased). It is likely that these sectors may continue to grow, while some of the aforementioned sectors may never fully recover, thus fundamentally altering our economy. Prior to the Covid-19 pandemic, jobs in retail, hospitality, leisure and health and social care were the largest employment outcome areas across Shaw Trust provision.
- 3.6 The ripple impact of certain sectors being impacted by coronavirus must not be ignored, nor must the place based impacts in specific geographies. For example, aviation is a sector where Shaw Trust traditionally has found work for many of our programme participants; not solely at airports and with airlines, but also with organisations in the supply chain. The impacts on lockdown on travel hubs, such as Heathrow, have an enormous ripple effects and can decimate local labour markets.
- 3.7 One sector, which continues to have a large number of outstanding vacancies, and is vital for our society is the care sector. There are around 122,000 job vacancies in the social care sector. The sector is struggling to fill its vacancies, something not helped by the extremely high staff turnover rate, mainly because of poor pay, terms and conditions, and working conditions.<sup>10</sup> Shaw Trust has responded to this urgent need to recruit and retain social care workers through our recently launched Care Academy. It aims to exemplify the approach both government and providers should take to create sectoral route ways, at both national and local levels, in key sectors of the economy allowing jobseekers to gain roles quickly. The Academy integrates a range of Shaw Trust provision to support future carers from start to finish. It brings together a number of services covering recruitment, careers advice, learning and skills development, and employment support.
- 3.8 Underlying the profound labour market impacts of the Coronavirus crisis on many of our programme participants are the longer terms challenges they may face because of the fourth industrial revolution. One example of this, which has been greatly accelerated by the Covid crisis, is the end of cash handling jobs, and the move to a cashless, contactless card economy.<sup>11</sup> This has meant that a number of cash handling jobs which

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<sup>9</sup> <https://blogs.lse.ac.uk/usappblog/2020/05/21/an-unequal-labor-market-means-that-covid-19-has-been-especially-harmful-for-vulnerable-groups-including-people-with-disabilities/>

<sup>10</sup> <https://www.health.org.uk/news-and-comment/newsletter-features/stemming-the-tide-retaining-the-social-care-workforce>

<sup>11</sup> <https://www.ft.com/content/c33eeee1-636b-47e7-8ab9-97b7472dae92>

were previously open to our programme participants with security firms and banks no longer exist.

3.9 More broadly, the expansion of the IT sector, and digitisation of the workplace more generally presents major employment barriers to some of the people we support who are digitally excluded. For example, research shows that 25% of disabled adults have never used the internet compared to 6% of non-disabled adults<sup>12</sup>. A survey by the Age and Employment Network, commissioned by the DWP, exploring the situational and perceptual barriers holding older workers back from finding work identified a lack of IT knowledge as a key issue<sup>13</sup>. The IT sector has grown very rapidly, and will continue to do so however too many job seekers are not currently equipped with the skills for these jobs.

3.10 In addition, the Coronavirus pandemic has led to the closure of offices, and the sudden move to remote working of many office workers, utilising video conferencing technology in particular to stay in close contact with colleagues. This shift to more remote working is likely to be a lasting legacy of the Covid-19 pandemic's impact. Harnessed correctly, it can create new opportunities for workers – particularly people with caring responsibilities, disabled people who struggle to use inaccessible infrastructure and public spaces, and people with health conditions - to find flexible home based work. The increase in homeworking has been positive for some disabled people, however it is also important to acknowledge the unique challenges disabled people forced to work from home may be experiencing<sup>14</sup>. Organisations and government planning return to work strategies must consider what is best for the individual.

3.11 AT has a vital role to play in supporting disabled people, and people with health conditions to find, stay and progress in work, as a key element of reasonable workplace adjustments. This is especially the case as technology and working practices change and our labour market shifts. At the moment employer awareness of AT is low.

### 3.12 **Recommendations:**

- To address the social care recruitment crisis, we recommend that social care wages should be lifted to the level of the real Living Wage.
- Government and providers should work together to develop sector route-ways into employment, as exemplified by the drive behind Shaw Trust's Care Academy.
- To support disadvantaged people, especially in regions and localities disproportionality impacted by Covid-19, the government must launch the UKSPF, as planned in April 2021.
- To best harness AT in coming years, we recommend a joined competence framework to be developed for AT practitioners, and other relevant professionals, to quality assure AT advice and assessment delivered through Access to Work, Personalised Independence Payments and other government schemes. It should also support a joined up approach to developing confidence and competence on AT across all relevant settings, from education and training through to employment and career progression.

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<sup>12</sup> <https://www.ons.gov.uk/businessindustryandtrade/itandinternetindustry/bulletins/internetusers/2019>

<sup>13</sup> <https://www.shaw-trust.org.uk/ShawTrustMediaLibraries/ShawTrust/ShawTrust/Documents/Taen%20Resources/50-Works-Older-Jobseekers-Guide-Web-Version.pdf>

<sup>14</sup> <https://www.policyconnect.org.uk/blog/remote-working-and-disabled-employees-how-pandemic-brought-long-standing-issue-forefront>

#### **4. How should the DWP respond to the changing labour market**

##### **Short term measures**

- 4.1 The levels of unemployment the Department has to deal with over the coming decade will be related to the policy decisions and implementation of those decisions over the next few months. The Chancellor's summer statement on jobs showed a welcome intention to prioritise employment. For the plan to be effective there needs to be join up between the host of announcements made, in particular departmental join up between DfE and DWP, to bridge the gaps between traineeships, apprenticeships, careers advice, the kickstarter scheme and job searching and permanent work. Provision must be output, not input, driven, and make sure beneficiaries can be easily progressed, transitioned and transferred across DfE/ESFA and DWP/JCP provision as appropriate.
- 4.2 The new 'economy' set to emerge post pandemic will not be immediate. It will, in the short term, be difficult to determine the roles, skills, qualifications, training and preparation required for some future roles. Taking this into account, the longevity of employment and skills programmes and ability to on and off ramp participants will be essential.
- 4.3 Government has pledged to bring in 13,500 new work coaches in response to the employment crisis. JCP does of course need this additional resource, but there are questions about how quickly these people can be recruited and what skills the people that are recruited will be able to bring into the job. Training these new Work Coaches will take time, especially as they will have to understand the plethora of existing provision and new provision to which they can refer jobseekers. It is important that people looking for work get timely employment support – the length of time someone spends unemployed can have repercussions both on the individual, but also the timescale it may take to get them back into work. Therefore, it is important that while JCP is being up-scaled, the DWP use the existing network of expert employment support providers. These providers have the expertise, capacity and ability to offer this employment support. Once JCP is more adequately resourced for the scale of crisis we are entering, then services can be handed back as appropriate.
- 4.4 With high, increasing unemployment levels, the DWP must not lose focus on those already furthest from the labour market prior to the pandemic, especially disabled people. This means that existing programmes will need to change, as more support will be required for groups, who have been pushed further from the labour market, not the same or less.
- 4.5 Lessons in service delivery, commissioning and contract management, which have been further illuminated by the pandemic, need to be harnessed in coming years. For example, Shaw Trust has adapted to ensure our services can be accessed digitally where possible. Going forward, technology will need to be at the heart of any reimagining of the commissioning landscape. However, we must also recognise and address the digital divide that exists for a number of our participants and offer support to them.

##### **4.6 Recommendations:**

- The DWP should produce of a formal 'lessons learnt' document as we emerge from the pandemic, to capture and implement lessons learnt from the crisis, in regards to commissioning, contract management and service delivery.
- The DWP should ensure employment and skills provision allow participants to be transferred across to alternative more appropriate provision as and when required.
- As JCP up-scales, the DWP should utilise the existing network of expert employment support providers, to ensure jobseekers can get timely employment support.
- Current levels of support for those jobseekers with employment equality gaps pre-Covid, for example disabled people, must be extended to reflect the even more difficult labour market they face.

## **The role of work coaches**

4.7 Work Coaches need to have the skills and training to equip and advise people who are looking for work in a fast changing labour market. Traditionally, Work Coaches are effectively trained to understand the benefits system and process, but not always to effectively understand how to access the right provision at the right time for the jobseekers they are supporting. To mitigate this, Work Coaches should be better trained in the provision available and providers should to have the flexibility to move people onto more appropriate programmes.

4.8 Currently, a major part of a Work Coaches job is navigating the journey of jobseekers – rather than directly 'coach' them into work. The DWP has a choice with their Work Coaches; central to their role should either be helping jobseekers navigate the system and referring them to appropriate provision, or they can take on a wider role also coaching people into work. However, if they are to take on this latter role they must have the appropriate skills and training, as well as manageable caseloads. For example, Shaw Trust deliver the National Careers Service in London and the West Midlands. All of our career advisers have level 4-6 Information, Advice and Guidance training.

### **4.9 Recommendations:**

- The DWP should review the job descriptions of Work Coaches and the amount and type of training received to ensure Work Coaches have the guidance and training to meet the role the department wants them to play.

## **Retraining and careers advice**

4.10 In the Chancellor's summer statement, there is a gap in support for workers aged 50 and over despite analysis showing they are being heavily impacted by the Covid effects on the labour market<sup>15</sup>. They are also more negatively impacted by the longer term technological changes created by the fourth industrial revolution, and need specific re/up skilling to address this. Reform estimate that around 200 thousand workers may have to change career due to the employment fall out from Covid-19<sup>16</sup>. Support for adults, and older workers in particular, to retrain is therefore vital, especially as our working lives and lives themselves continue to lengthen.

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<sup>15</sup> <https://www.theguardian.com/society/2020/jun/18/covid-19-crisis-risks-uk-lost-generation-of-people-about-to-retire>

<sup>16</sup> <https://reform.uk/research/when-furlough-has-stop-next-steps-avert-long-term-unemployment>

4.11 We welcome the expansion of the National Careers Service, but this is only open to those aged 18 and over. We need to expand good careers advice for young people from 14 years old onwards, with good route ways into good qualifications and work. This is particularly important for pupils with Special Educational Needs and Disabilities (SEND), who have such poor educational and employment outcomes. Careers advice support for SEND students also needs to be fully joined up with education grants and Access to Work to create a level playing field for SEND students.

**4.12 Recommendations:**

- Ahead of the Autumn Budget, DWP must consider what additional support they offer to those looking to change career, reskill and re-train, particularly older workers.
- Consideration should be given to expanding a National Careers Service style model to those under 18.

## **5. Joining up education, skills and employment**

5.1 There needs to be a joined up approach to skills, education and employment policy. There must be clear pathways for education leavers and job seekers of all types and ages. To create cohesive journeys with clear end goals, and on and off ramps at various stages of people's journeys, there needs to be flexibility and join up between DWP and DfE programmes to allow people to interchange and continue their progress on the most appropriate provisions, and move between employment support and re/up skilling.

5.2 At the moment, skills and employment provision tends to sit between the DfE and the DWP. For example, employment support programmes, such as the Work and Health Programme sit with DWP, while the National Careers Service sits with the DfE through the ESFA. To break down silos and the divide between skills and employment, we think there is merit in ESFA commissioned services (with the exception of Colleges) moving to the DWP. A more natural split between the departments would be for vocational skills to sit with the DWP, and for the DfE to have responsibility for higher education and level 4 and above qualifications. In the changing labour market, where reskilling and re-training will be essential, this will help create more coherent pathways for learners and jobseekers.

**5.3 Recommendations:**

- The split in skills, employment and education provision between DfE and DWP should be reviewed to break down silos between the departments.

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