

Extending labour market interventions to in-work claimants – call for ideas

Summary of responses received

June 2013

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Introduction

Universal Credit is the largest programme of welfare reform for a generation and it will transform the environment in which the Department's employment services operate. Universal Credit will be a seamless in and out of work benefit for the whole household. It will help ensure work always pays making it easier and less risky for people to start and progress in work.

Over time, there will be increasing numbers of UC claimants who are in work. Once fully rolled out we expect around 11 million individuals to be claiming UC of whom 5 million will be in employment.

This is a radically different context in which DWP's employment services will operate. For the first time it will be possible for the Department to work with individuals to help them stay in employment and progress.

There are clear benefits in doing this including tackling child poverty and improving social mobility. We will of course always take account of someone's caring responsibilities or illness in considering how much work an individual can do.

DWP has a number of ideas how we might achieve this but there is little evidence, nationally or internationally, as to what interventions will be most effective in improving sustainability of employment and earnings progression.

The Department, therefore, plans to run a series of tests and trials to build an understanding of what works. In considering what to take forward into pilots the Department launched a 'call for ideas' on 21 January. We asked for innovative and radical ideas that could be piloted to help build a firm evidence base before any national rollout.

The call for ideas ran until 25 March 2013.

Over 350 responses were received from a variety of organisations and individuals, covering a number of ideas and themes. In addition Jobcentre Plus staff were also asked for their views. This document provides a high level summary of the ideas received.

The Government would like to thank all those who engaged with and responded to the call for ideas.

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A paper copy of this document can be obtained from:

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Overview of main themes received in response to the Call for Ideas

We sought views to help people in work and in receipt of Universal Credit to help them increase their earnings, develop their skills and qualifications and take positive steps to achieve financial independence in both the tax system and Universal Credit.

We received a large volume and range of ideas from many different organisations and individuals and we increased our range of stakeholder consultation via three working groups: a group involving Jobcentre Plus representatives and our delivery partners; a group of employers and employer representatives and a group of policy and academic experts.

This publication sets out a high level summary of the ideas generated – both those submitted directly and those discussed and developed through the working groups. We have grouped ideas under the following themes broad themes:

- Provision of advice and support on career and skill development
- Supporting the identification and generation of progression opportunities
- Self employment;
- Addressing barriers; and
- Cross cutting ideas.

The call for ideas also produced many suggestions on digital support including some stand alone ideas and others were part of an overall package of support that could be introduced to support in work progression.

Leading themes from respondents

Provision of advice and support on career and skill development

Many responses suggested that the provision of advice and guidance to individuals – many of whom may have been in the same employment for a long time – would be essential. Responses often assumed Jobcentre Plus would be providing this service and suggested ways to build on this, others suggested alternative approaches.

Ideas include:

To actively engage with employers to support them in helping progress their staff

Ideas in this area included working with employers to help them map the skills set of their current employees, and enabling low earners to understand the skill set that is necessary to achieve higher earning levels. Linked to this was a strong view from employers that they would only progress people where they could add more value to their organisation, often by improving their skill set.

Other ideas were involving employers in the claimant commitment and setting out the other support they can give, such as help with CVs or connecting them with other local employers where hours may be available.

Helping claimants to understand their options and developing realistic action plans/ career ladders that aid progression

Employers emphasised that – in developing our interventions - we need to understand in which sectors progression is realistic, and where earnings need to be increased by changing sectors. A key step could, therefore, be helping claimants to understand their career options within their current sector and to develop a realistic action plan that will lead to progression.

This need not be done by face to face careers counselling. Ideas were put forward that suggested online career planning, advice, guidance, and an online orientation portal – allowing claimants to understand their sector, typical career paths and opportunities. It was also suggested that the Department host online “virtual” careers

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fairs, providing an easy way for claimants to build understanding and knowledge of different sectors and different employers, as well as identifying job vacancies.

Use employer expertise in developing training

Some proposals suggested employers should be supported to promote training, development and progression. As part of this it was suggested that training may be more effective at achieving progression if provided by employers so that they can in turn, offer progression opportunities to successful completers of the training. Other suggestions included roles for other business organisations like the Chamber of Commerce to help co ordinate a learning offer to SMEs, so that enough numbers of learners are generated to allow providers to deliver the training.

Provide skills brokerage service with after hours support

A range of ideas were received on helping the low skilled in work Universal Credit claimant group through the provision of support and advice on skills development. This would cover continuing professional development and improving qualifications to widen access to higher paid job opportunities. More specific proposals included skills brokers providing awareness of and signposting to accessible funding for qualifications that specifically meet a job requirement or promotion opportunity. Brokers would have good labour market information to support individuals to scope out their opportunities on an ongoing basis; they could also broker any relevant support services, for example health or financial, that could be acting as a barrier to skills progression.

Development of flexible and online skills training

Alongside better promotion of training, some proposals included ideas around more flexible training, as currently a great deal of provision is aimed at the unemployed and is only available during working hours. By making it available later in the evening, early mornings or weekends and available on line, this would increase take up. Bespoke on line modules could be designed by working with employers to understand their skills and training needs and this would ensure that work time is not used for training and enable claimants to fit training around their working lives.

Individuals to self assess their current digital literacy with learning opportunities signposted

Respondents pointed to research that shows workers across the UK need higher levels of IT skills to be employable. One proposal received suggested an app that is

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that claimants can use to self assess their current digital literacy. Learning opportunities could then be signposted so individuals can learn the techniques they are lacking. Employers could then access the information to view an instant analysis of the skills of a community and drill down to individual skills level. Further development of the proposals aims to enable the employer to customise topics and questions and add their own learning provision.

Providing holistic support for households rather than individuals

Proposals received were aimed at increasing a family's earnings by tackling a family's multiple issues; an advisor would support a whole family in the role of family mentor, examples include drawing up a 'family road map' outlining goals for the whole family for example both parents in full time work and how to get there. The interviews would be face to face diagnostic. Other ideas promoted self help support within communities to encourage low income working families to increase their social mobility and achieve their goals.

Package of support/practical advice for in work lone parents

Ideas included tailored support for in work lone parents focused on balancing parenting responsibilities with opportunities to increase earnings; evening classes would provide information on navigating childcare provision, practical advice on how best to request flexible working and agree arrangements that meet the needs of the employer and employee and how to present themselves to employers to justify promotion or progression opportunities.

Intensive support when claimants first start work

Respondents indicated that the first few weeks or months in work are important and those entering employment, if they get through the first few weeks and stay in employment, in the longer term will have opportunities to progress in work. We received ideas that suggested provision of intensive support for claimants on entering work, to help them stay in work and possibly increase their earnings or hours by regular adviser interventions. Many ideas were centred specifically in helping vulnerable customers and families with multiple and complex needs, others were aimed at helping lone parents and 16 to 18 year olds.

Work Experience opportunities

It was suggested that providing work experience opportunities for people in work – particularly for those looking to move sector – could be useful in helping people build

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their CVs but also encourage individual's to move jobs (by helping them understand what new roles would involve). It was also suggested that Jobcentre Plus could facilitate work experience moves by back-filling any temporary vacancies created with other jobseekers.

Systems that make better use of labour market information

Ideas suggested how vacancy and CV information held online could be brought together to support claimants in understanding the range of opportunities available to them, including areas of employment that were growing in their local area and the typical skills and experience needed to move into particular types of role.

Standardisation of skills and competencies needed for jobs

Proposals here were to develop an easy to understand, standard competency framework that employers would use when advertising jobs. The aim is to help claimants understand the types of jobs available, understand the necessary skill levels and what is required to be successful in securing and advancing in those roles. Claimants would be able to assess their own competency levels and could be linked through to available training resource. The framework would need to be developed with industry organisations and colleges.

Supporting the identification and generation of progression opportunities

Several responses suggested that - for many claimants in the low earning category – flexible or short hour jobs would be essential (this includes better paid jobs on the same flexible or part time terms as their current employment). Respondents suggested ways that the availability of such roles could be increased. Others stressed the need to better support individuals in finding such jobs.

Stimulating the supply of better quality part time jobs by taking an employer first approach to grow a quality part- time job market

Ideas received suggested the provision of a brokerage service to generate opportunities for job swaps and job shares – helping open up roles for people who needed to work flexibly. Other proposals received included the use of employer role models to demonstrate the business benefits of introducing part time and flexible roles, offering practical support for employers in job design and demonstrating to employers the increased pool of candidates they could draw on by opening vacancies on a part time / flexible basis.

IT solution to match workers with employers to fill flexible short hours

A number of proposals suggested improving online job search facilities for people looking for flexible, short hour jobs (and for employers to advertise such jobs). Proposals submitted included a sponsored website that provides details of claimants as a pool of local top up workers available to employers. Named individuals could be booked instantly, possibly at short notice and for short periods. This would fit around claimant's availability and existing work and child care commitments. Each claimant would be given a personal online diary in which they enter hours for today, the day after or weeks ahead. They would also define the terms on which they will accept bookings.

Flexible Working awareness and support sessions

Proposals were received that aim to support SMEs to implement a whole company approach towards adopting flexible working to open up job opportunities to a wider market and targeted at opening the labour market to working parents requiring flexible jobs. Features would include advertising jobs at all levels in the organisation that encourage job share, part time posts, compressed hours and annualised hours. Key meetings, training and social opportunities would be scheduled within core working hours so that those working part time and flexibly can attend. The support

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would focus on training for the employer as an enabler to allow employees to progress, with a particular focus on flexible working.

Motivation/breaking inertia

Many responses suggested that ensuring individuals were motivated to increase their earnings would be key. A range of ways to encourage claimants to do more were received, from selling advantages to individuals to trying to change behaviours by encouragement, setting clear requirements and expectations, including:

Applying behavioural insights through digital tools

Responses highlighted the potential to use online job search systems to nudge and encourage claimants to take positive action to increase their earnings. Ideas included, automatic text messaging when suitable vacancies became available, integrating a better off calculator with job vacancies so that individuals would instantly be shown how much better off they would be if they took up the role. Better off calculators could also be used to show individuals how much support they received from the state, incentivising individuals to reduce that level.

It was suggested links could also be made to social media – both to provide digital forums for claimants to discuss job-search and progression but also to allow individuals to share achievements and goals with a peer group – increasing commitment and potentially building a sense of competition.

Behavioural insights could also be built into face to face adviser interventions, for example, encouraging claimants to set out and commit to their own action plan.

Ensuring the benefits of Universal Credit are understood

The flexibility brought about by Universal Credit – the ability for claimants to change their working hours and earnings without worrying about the impact on their benefits - was widely welcomed by respondents particularly employers. Respondents suggested that significant efforts needed to be made to ensure that these benefits were widely understood in order to encourage claimants to think about earning more. Communications and information should not just be targeted at individuals but should equip employers to have conversations with their staff. The provision of better off calculators would be an essential part of this.

Setting mandatory requirements

Responses (and discussion in the groups) recognised that the Department could impose mandatory requirements (designed to encourage activity that leads to progression). Many responses emphasised that financial sanctions should be a last resort, and that requirements shouldn't push claimants into the next available job, but should allow them to focus on finding roles that represented genuine progression.

Proposals in this area included an initial interview for all Universal Credit claimants and then a 'baseline level of conditionality' applied to those claimants whose household earnings are below the household conditionality earnings threshold and whose individual earnings are also below their individual conditionality earnings threshold. The 'baseline conditionality' for in work claimants should be that claimants are required to sign on at a Jobcentre at quarterly intervals to remind them of the expectations that they should be looking to increase their earnings and advice and signposting given to further support. The proposal also suggests that in work claimants failing to attend a quarterly sign – on should be subject to the sanctions regime.

Financial health checks

The financial health check proposals generally aim to provide extra support with financial matters for those claimants who need it; including a voluntary referrals service made available to all Universal Credit claimants at regular intervals. Other ideas were more specific and proposed providing specialist financial support and potentially provide universal access to community based finance.

Personal budget support and budgeting sessions in the workplace at lunchtime

Proposals included positive steps to help increase financial independence, the personal budgeting support is intended to help claimants to adjust to the change to monthly payments and online tools or help from finance managers in the workplace could demonstrate how to set up simple spreadsheets to help manage money. Other ideas suggested face to face money advice sessions addressing for example how to set up Direct Debits and personal budgeting.

Mentoring, coaching

Varied proposals were received including adviser led coaching sessions on personal development via skype or telephone, making available peer support and role models.

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There were specific proposals on making available peer support and role models that would raise the expectations and motivation of disabled employees, employers and support services. Other proposals were aimed at young people and matching them with experienced mentors who work in their chosen career sector. Mentors would be able to offer specific advice such as which skills are most valued and how to develop these and offer support in completing application forms and interview practice.

Financial incentives/bonuses for those claimants that progress

Respondents pointed to evidence that show the impact of financial incentives on individual motivation. A number of ideas came through proposing pilots to test additional financial incentives for those claimants who progress. One option was to link progression from one year to the next, based on yearly tax records. Incentives could be a bonus payment or smaller regular payments based on a percentage of the total increase. It was also recognised that incentives could operate by reducing the amount of money received if claimants did not increase their earnings as expected.

Self employment

Ideas received were helping those in self employment grow their business to take them over their earnings threshold and helping those in part time work take up realistic self employment. Ideas include:

In work support for self employed, offering tailored business advice

This would help self employed claimants in the initial period of starting their business which can be difficult. Ideas include approval of applicant's business plan and access to financial support, with web based support targeting job safe-guarding and job creation. Other ideas were more generic offers of support tailored to individual needs, for example, IT, Market Penetration, Innovation, Finance and Investors; and signposting to other organisations offering business advice.

Provide business mentors

The New Enterprise Allowance currently supports people who are day one unemployed to set up and sustain their business, including a volunteer mentor who will support the customer for 6 months after business go – live. Building on this a proposal to provide a volunteer mentor to support claimants in the initial first year to help increase their earnings was received.

Addressing barriers

Claimants are likely to face particular obstacles that make it difficult to take on more work or move jobs – respondents suggested issues around childcare or travel could be relatively common. A number of proposals received suggested the provision of additional financial support to help overcome these issues.

Group discussion suggested adviser led support – for example – to identify childcare options could be helpful. But also establishing peer group networks was suggested as a helpful way forward e.g. of parents looking to increase earnings enabling discussion of childcare options and solutions, as well as informal support.

Employers clustering to provide child care/summer schools/holiday clubs

Respondents felt care commitments are likely to be one of the main barriers to increasing hours – both in terms of the constraint on care arrangements and the cost (with the risk that increase in childcare costs outweighs any increase in earnings). A number of proposals, some focusing on lone parents, suggested we should encourage employers to set up subsidised workplace crèches or shared crèches for example on business parks. This would allow people to extend their hours without additional commuting time to collect their children.

Cross cutting propositions

Use of 3rd parties to deliver advice and support to claimants

One proposal received is to pilot in work progression support primarily delivered by Work Programme providers and possibly others under a payment by results model. Support delivered in this way could include, mentoring, job broking, in work benefit calculations and support, sourcing other additional work where existing employer cannot support additional hours and sourcing or providing training.

‘In Work’ Families Careers Service based in the local community aimed at families with children

This specific proposal looked at an approach support claimants with families to increase their earnings and skills over a specific period of time. Claimants would complete a diagnostic interview and agree a career development plan with time bound activities. A mentoring service would be provided throughout and there would be employer focused activity to ‘manage’ whole recruitment needs. The approach would also establish a community network of claimants who progress, success stories which could help future roll out activities.

A case management approach with targeted strategies and interventions to up skill

The approach is a multi agency delivery model including, DWP, Skills Funding Agency, National Careers Service and Work Programme providers to ensure in work progression happens. The proposal features an initial robust assessment by National Careers within the Jobcentre prior to leaving Work Programme and commencing work and then linked to a local provider and in work mentoring. Ongoing adviser follow – up and job matching would be integral.

City Deals process to provide successful cities with flexibility around some elements of welfare policy and employment support provision

The proposal is aimed to boost innovation and the range of pilots being tested and suggests that successful cities in the City Deals process should be given flexibility around some elements of national welfare policy. Features include the ability to flex the conditionality regime for in work claimants, the ability to supplement Work Programme contract payments with rewards for providers who are successful in helping jobseekers progress in work once they have found employment.

Annex A – Respondents to the consultation

A4E

ACAS

Accenture

AMM Learning Ltd

Asset Skills (Sector Skills Council)

Association of School and College Leaders

Careers Development Group

Careers South West Limited

CBI

Centre for Social Justice

Centrepont

CESI

Chwarae Teg

CIPD

Citizens Advice Bureau

Deloitte

DOIT Solutions Ltd

Dictate2us

Dudley Directorate of Adult, Community & Housing Services

E Skills

Euro Marketing

Ferret Information Systems Ltd

Fife Employment Access Trust

G4S

Gateshead Council

Gingerbread

Goals UK

Golding Holmes

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Help to Work Partnership
Hertfordshire Action on Disability
Interserve Strategic Partnership
Learn Direct
London Voluntary service Council
Macmillan Cancer Support
MDRC
Mydex CIC
National Institute of Economic and Social Research
NEST
Net Mums
Nisai Virtual Academy
Other Government Departments
Oxfordshire County Council
Personal Finance Education Group
Pertemps People Development Group
Policy in Practice
Prime Decision- University of Bristol
Proserv International
Prospects
Recruitment and Employment Confederation
Reed
Remploy
Riverside Group
RNIB
Seetec
Shaw Trust
Signature
Skills for Care and Development
Skills for Health Academy (NW)
Sky blue Services
Slivers of Time
St Mungo's

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The Greater Manchester Skills and Employment Partnership

The Hyde Group

UKCES

Wiltshire County Council

Women like us

Worcestershire Health and Care NHS Trust

Working Families

Working Links

Your Housing Group

We also received numerous suggestions and ideas from Jobcentre Plus, local government officials, HMRC and members of the public.