



Department
for Work &
Pensions

Helping people secure, stay and succeed in higher quality, higher paying jobs

UK Government Response to the
In-Work Progression Commission's
Report – 'Supporting progression
out of low pay: a call to action'

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Foreword by Secretary of State

This Government is determined increase productivity and prosperity right across the United Kingdom. Integral to this will be getting more people into work, enhancing our workers skills, and increasing their earnings.

I am grateful to Baroness Ruby McGregor-Smith and the members of her advisory panel for their report on the barriers to progression that those in low paid jobs face. We have considered its insights carefully as part of developing a government plan to help people progress in work and increase their incomes.

Our new approach is set out in this response to Baroness McGregor-Smith's report. It builds on the success of Universal Credit (UC) and our sustained focus on helping people move into work. Our Plan for Jobs and the recent Way to Work campaign have successfully protected jobs and livelihoods and helped people move back into work. This is evidenced by full-time employment rates returning to close to pre-Covid levels.

We have taken further steps to make work pay. As well as announcing an increase to the National Living Wage from April 2023, we have also increased UC work allowances and reduced the taper rate, meaning people keep more of what they earn. Alongside this we have increased the contact that those not active in the labour market or in low pay have with their Work Coaches and Jobcentres.

This is all part of this Government's programme to place economic stability and confidence at the heart of our agenda: reducing economic inactivity and helping to boost pay, prospects and prosperity across Britain. It includes a new model of support for people already in work and looking to progress, building on stronger work incentives and a place-based approach. This model expands the intensive support offered to the lowest paid UC claimants, but it also introduces the expertise of a network of specialist Progression Leads working at district level to strengthen the local employment landscape across our Jobcentre network. The job of these Progression Leads will be to work with local stakeholders to develop progression opportunities and to support our invaluable Work Coaches to provide tailored and practical advice on progression. We have been testing this new support offer on a voluntary basis in South Yorkshire and Cheshire. The results have been encouraging, and so we aim to roll-out the new model to all Jobcentres across Great Britain by the end of March 2023. This will give approximately 2.1m people the chance to access this additional support to advance their careers.

Building on the voluntary offer, and as announced in the Autumn Statement, we will be providing even more Work Coach support to Universal Credit claimants who currently have less frequent contact with Jobcentres. This will start from September 2023, with over 600,000 claimants starting to receive our new offer, which will help them to overcome the barriers holding them back from progressing in work. Our invigorated progression offer is intended to complement and work alongside the plans set out in the Skills for Jobs plan and the Lifetime Skills Guarantee.

We also recognise that specific groups of people face more complex barriers in employment and our response sets out how we are supporting these groups. This includes the Access to Work scheme which is supporting a series of Adjustment Passport pilots to facilitate transition into employment and provide greater flexibility for disabled people and people with health conditions to move into and between job roles. For older people, our new, further enhanced support package is benefitting workers over 50.

Our response and our plans to help those in work are ambitious, and our wider aim is clear: to help people to access the opportunities that will enable them to have higher quality, higher paying jobs.

The Rt Hon Mel Stride MP
Secretary of State for Work & Pensions

UK Government Response to the In-Work Progression Commission's Report – 'Supporting progression out of low pay: a call to action'

This Government's agenda is clear: to build our economy to deliver highly skilled roles and opportunities across all sectors. In DWP's interaction with the lowest paid workers, through the welfare system, we are at the frontline of implementing this agenda by focusing on getting our workers in to higher paid, higher quality jobs. We are clear that we want to make the most of our extraordinary network of Jobcentres across Great Britain to make a real, tangible difference to the work, skills, and prospects of our lowest paid claimants, which includes those impacted by the pandemic and in particular, long covid. That is the impetus behind this response, for DWP but also for departments across Government.

Baroness Ruby McGregor-Smith's report 'Supporting progression out of low pay: a call to action' was commissioned before the pandemic in 2020 by then Secretary of State for Work and Pensions, the Rt Hon Thérèse Coffey. This UK Government response sets out a new approach to supporting people in low pay to increase their earnings, skills, and prospects at work, whether in the same sector or by switching sectors. This new, wide-ranging approach includes a number of key themes:

- Making work pay and boosting work incentives of low-income households
- A new offer to support UC claimants in work who want to progress
- Giving people greater opportunities to develop new skills or enhance and utilise existing skills
- Providing targeted help for people who need extra support in tackling barriers to working more hours and taking up opportunities for higher skilled, higher paying jobs
- Ensuring transport effectively connects people to opportunities
- How public procurement and other UK government activity supports the growth of quality jobs
- The role of employers

A note on the scope of this response: The UK Government is responsible for policies on employment support and social security in England and Wales, save for certain functions relating to employment support which may be exercisable jointly or concurrently with Welsh Ministers in some circumstances. All policy areas under consideration in this response, except the UK Shared Prosperity Fund, are transferred to Northern Ireland. In Scotland, some parts of the social security system are devolved, however Universal Credit remains the responsibility of the UK Government. With respect to employment support, the Scottish Government has powers to set up contracted programmes to help disabled people and people with health conditions into work. It has similar powers to support people who are at risk of long-term unemployment, provided this support lasts for 12 months or longer. The Scottish and Welsh Governments are responsible for health, local Government, education, skills including the careers service, transport, childcare, and social care. Where this response relates to these areas, it applies to England only.

Where this response describes funding for initiatives in England only, the Scottish and Welsh Governments and the Northern Ireland Executive will have received consequential funding through the Barnett Formula. It will be for them to decide how they use this funding. The UK Government remains committed to working with the Scottish and Welsh Governments, and with the Northern Ireland Executive, to consider how best to help low paid workers across all nations secure, stay in and succeed in higher quality, higher paying jobs, therefore boosting our collective prosperity.

Making work pay and boosting work incentives of low-income households

Commission Recommendations

- ▶ DWP should consider ways to incentivise claimants to reach milestones on their individual progression and learning pathways.
- ▶ DWP and HM Treasury should consider how the design of Universal Credit, especially the taper rate and work allowances, can best support progression incentives.
- ▶ DWP should also commit to improving how well Universal Credit, and in particular its rules for claimants in work, are understood by employers in low pay sectors.

Incentivising progression in UC

Providing incentives and support for people to move into and progress in work is at the heart of Universal Credit (UC). It removes the cliff edges that were a feature of the legacy benefits, including tax credits, instead reducing benefit payments at a steady rate as earnings increase. The Work Allowance is the amount households with children or an adult with a disability or health condition (which affects their capability for work) can earn before their award starts to reduce. After any Work Allowance is taken into account, UC reduces as earnings increase according to a 'taper rate' which applies to all households with earnings.

To make work pay and strengthen incentives for those on low pay, we have:

- **cut the UC taper rate from 63% to 55% and increased the work allowance by £500** per year so claimants keep more of what they earn. This is an effective tax cut for low income working households worth £1.9 billion a year in 2022/23 and allows working households to keep more of what they earn, thereby strengthening incentives to move into and progress in work.
- **announced in the Autumn Statement that the National Living Wage will increase by 9.7%** to £10.42 an hour from 1 April 2023. This takes the previous increase, by 6.6% to £9.50 an hour since April 2022, further. Increases to the National Minimum Wage have also been announced, benefitting young people and apprentices.

Supporting Employers to Better Understand UC

We want to help businesses better understand how UC works and how it differs from legacy benefits, including tax credits, so they can help in-work claimants to make informed decisions about their career progression.

To help employers understand rules for UC claimants, we are:

- **working closely with individual businesses, sectors and trade bodies through our National Employer and Partnership team on a range of recruitment and retention solutions** to help unemployed benefit claimants secure work. This team is working hard to ensure the businesses they partner with are briefed to make the best use of the opportunities that UC provides, including understanding the removal of the old '16 hour' rule under legacy benefits. We will ensure this engagement with employers continues.

To further strengthen employers' understanding of UC, we will:

- **develop specific messaging for employers about UC** and identify opportunities to reach them via relevant government channels and campaigns.

DWP's new offer to support UC claimants in work who want to progress

Commission Recommendations

- ▶ Jobcentres need to have an established, credible in-work offer for all working benefit claimants.
- ▶ In advance of launching its progression offer, the DWP should consider a high-level communications campaign to inform people on low pay that the government is changing how it supports them.
- ▶ People on low pay should be proactively encouraged and enabled to take up learning through a progression and learning plan.
- ▶ Jobcentre staff across the UK should increase their knowledge of the connectivity landscape in the areas in which they work.
- ▶ The Flexible Support Fund should be expanded to be used to support any Universal Credit claimant in work who faces specific fixed costs which are acting as a barrier to them taking defined steps to progress in work.

Jobcentres and Work Coaches have historically focussed on helping people find and move into work. With DWP's new offer, we are putting a greater focus on helping people progress once they are in work.

We are providing more support to people on UC with the lowest earnings.

We have raised the Administrative Earnings Threshold (AET) in UC from £355 to £494 per month for individuals (equivalent to working 12 hours per week at the National Living Wage) and from £567 to £792 per month for couples. People earning under the threshold receive the most intensive support from our Jobcentres on a weekly or fortnightly basis, so raising the threshold means that more people will see a Work Coach for progression support on a weekly or fortnightly basis. The government will raise the AET further in January 2023 to 15 hours a week at National Living Wage for individual claimants, and 24 hours a week for couples. This change will mean approximately 120,000 more UC claimants who are in work will benefit from further support through our Jobcentres.

We have also developed a new practical, tailored support offer for UC claimants earning above the AET to ensure they have access to progression support from our Jobcentres.

Our voluntary progression offer has been rolling out since April 2022. Across 10 Jobcentre Plus Districts including South Yorkshire, Cheshire, North and Mid-Wales and the Black Country Work Coaches are already offering practical and tailored progression advice on a voluntary basis to individuals who want to progress but do not know where to start – they may need a confidence boost, new skills, a qualification, specialist career advice (via the National Careers Service or the equivalent services in Scotland and Wales), or help putting together a plan for their progression.

The voluntary progression offer will be available in every Jobcentre across Great Britain by the end of March 2023, ensuring that individuals who are in work will have the right support to progress. The offer will:

- **invest in and support Work Coaches to deliver an in-work service to claimants** to help them progress either in the same sector or in a different, high-growth area. Work Coaches will support claimants to develop tailored progression plans, setting out the steps they should take to reach their goal and the support available at every stage, which will be regularly reviewed. These plans will recognise that every individual's progression to higher earnings will be different depending on their circumstances and aspirations. It may involve developing new skills, finding a higher quality role, or securing a job that allows more flexibility around their caring responsibilities. DWP will explore if the Claimant Commitment could be used for this purpose in the future and establish if this is the best way to support claimants to achieve higher earnings.
- **appoint 37 new District Progression Leads across Great Britain**, who will deliver specialist support to Jobcentres, building the expertise of Work Coaches on local opportunities in individual sectors, local transport networks, childcare provision, and appropriate local skills provision. Building on DWP's existing place-based approach, these Progression Leads will work with local partners such as Skills Advisory Panels, skills providers, and employer-led Local Skills Improvement Plans to help ensure skills provision is more responsive to the emerging and changing skills needs of local labour markets. They will be a key part of the DWP's Sector Strategy, where we are working with relevant departments and high-demand sectors like care, construction, digital and technology, and manufacturing to identify barriers to recruitment, retention, and progression and to take ambitious action to overcome them.

These new Progression Leads will also work with and influence transport authorities and other partners to ensure local transport policies support progression for all claimants. DWP will ensure that this new support meets the needs of people in particular circumstances, such as parents, carers, disabled people and those with health conditions, and ethnic minorities. Progression Leads will bolster our already existing locally delivered services to the low paid whilst also addressing the needs of local labour markets.

Furthermore, and building on our voluntary offer, from September 2023 we will start to require UC claimants in the 'Light Touch' conditionality group to engage with our progression offer¹. This will mean that over 600,000 Universal Credit claimants will be required to meet with a work coach so that they can benefit from support to increase their hours or earnings and overcome barriers to progression. This is in line with the original design of UC, which as well as supporting people to move into work, is about helping people take up more and/or better paid work.

Giving people greater opportunities to develop new skills, or enhance and utilise existing skills

Commission Recommendations

- ▶ DfE and Devolved Administrations should ensure that Apprenticeships are accessible and attractive to more established workers.
- ▶ Governments across the UK should oversee the development of subsidised sector-specific bridging courses to enable low skilled workers to gain access to higher-level training and progression.

Supporting skills within Jobcentres for people on benefits

DWP is helping to support unemployed people and those on low incomes to develop their skills through our Plan for Jobs. As part of this, Jobcentre Work Coaches are:

- **helping customers to identify their skills needs and find appropriate training** either through existing initiatives such as DWP Train and Progress and Sector-based Work Academy Programmes (SWAPs)², or more tailored training from adult education providers.
- **referring eligible claimants to full-time work-related training where their lack of skills is a barrier** to increasing their work and earnings. In Wales and Scotland this includes training funded by the Scottish and Welsh governments.
- **referring working claimants to the National Careers Service in England, My World of Work Scotland, and Careers Wales to develop individual career and skills action plans** to achieve their short-, medium- and long-term goals; and identify suitable training and development opportunities.

National Careers Service

National Careers Service advisers can support individuals in England looking to undertake learning, training and retraining and provides free, up to date, impartial information, advice and guidance on careers, skills and the labour market in England to anyone aged 13 and over. Professional careers advisers guide people to make better career and learning choices through upskilling or re-skilling, which continues to be an important priority and focus for the service.

National Careers Service advisers provide personalised careers information, advice and guidance services to all adults. This is done via individual and group face-to-face sessions, over the telephone, through digital and social media platforms, with particular emphasis on priority groups who may need more help in developing their career management skills, progressing in work or learning.

More information is available at www.nationalcareers.service.gov.uk and advisers are available via phone 0800 100 900 via webchat and in the community.

Basic skills for all³

A lack of basic skills can hold people back from getting or progressing in a job.

We have:

- **continued to fully fund English and Maths qualifications** (up to and including Level 2⁴), **as well as essential digital skills qualifications** (up to and including Level 1) for those both in and out of work, in England.
- **introduced Multiply** - an up to £559 million UK-wide new adult numeracy programme to help adults improve their maths skills, including through bespoke courses.
- **partnered with Google to offer free flexible online IT training for 9,000 jobseekers across the UK** through the Google Career Certificate Programme.

Gaining higher-level qualifications later in life

For people to progress in work, it is important for there to be opportunities to gain the necessary qualifications later in life. Level 2 and Level 3 qualifications increase employability and boost earnings by 9% and 16% on average⁵ respectively and a [major review of higher technical education](#)⁶ in England highlighted that Level 4 and 5 technical qualifications can unlock the skills employers need, and lead to well paid jobs.

We are therefore:

- **expanding the Free Courses for Jobs offer as part of our Lifetime Skills Guarantee**, where eligible adults in England can access a Level 3 qualification for free, regardless of their age. Over 400 qualifications are available in subject areas with the strongest wage outcomes and links to key skills needs such as construction, health, and social care and digital.

The offer is available to any adult without an existing Level 3 qualification, and to adults who have a Level 3 qualification or higher but who earn under the National Living Wage annually or are unemployed.

- **rolling out newly approved Higher Technical Qualifications (HTQs) in England** to deliver the skills employers need, supported by additional funding and government-backed communication campaigns. The first HTQs became available for teaching in September 2022 beginning with Digital HTQs. Construction, and Health & Science will follow in 2023, with a full suite of qualifications available by 2025.
- **introducing the Lifelong Loan Entitlement (LLE) in England from 2025** which will provide individuals with a loan entitlement to the equivalent of four years of post-18 education (£37,000 in today's fees) to use over their lifetime. This will be available for both modules and full courses regardless of whether they are provided in colleges or universities. Under this flexible skills system, people will be able to space out their studies and learn at a pace that is right for them, including choosing to build up their qualifications over time, within both FE and HE providers. They will have a real choice in how and when they study to acquire new life-changing skills.
- As of the start of Academic Year 2022/23, trialling loan-funded access to tuition fees for over 100 short courses at Levels 4-6 at 22 providers across England. This will help us build and test towards the LLE, and will allow students to study and build up the skills they need more flexibly.

Sector specific and workplace learning

To progress to higher earnings, some people need support to switch sectors and others need support to develop new skills to respond to developments within their sector. We are implementing DWP Train and Progress, a nationwide initiative designed to implement a framework that enables Jobcentres to create the routeway to better aligned employment and skills support. This includes a temporary extension of the time claimants can participate in full-time, work-related training to 16 weeks.

To help people learn while they earn, we are:

- **supporting UC claimants through DWP's Sector-based Work Academy Programmes (SWAPs)** – aimed at unemployed people but also open to workers on low incomes who can balance attendance alongside existing commitments – to provide employability training, a work experience placement and either a guaranteed interview or support with an employer for a real job or support to help participants through an employer's application process.
- **significantly expanding DfE's Skills Bootcamps in England**, which are free and flexible courses lasting up to 16 weeks, giving people the opportunity to build up sector-specific skills, with an offer of a job interview with an employer on completion.
- **delivering an increase to employer-led apprenticeship funding** to £2.7 billion by 2024-25⁷. Apprenticeships are available to individuals from the age of 16 onwards and offer opportunities to start and progress in a range of occupations. Through an accelerated apprenticeship, older workers can benefit from strengthened requirements for training providers to take better account of apprentices' relevant work experience, to reduce the amount of time needed to complete an apprenticeship (still a minimum of 12 months).

Furthermore, **the new Employment and Skills Pathfinders**, announced as part of the Levelling Up White Paper this year, will create greater alignment at a local level between our various skills and employment initiatives to help people into work and into better jobs. The Pathfinders will bring together various government and local stakeholders to respond to intelligence about local employers' skills needs, supporting jobseekers into training that will enable them to move into, and progress in jobs in their local area. Pathfinders will initially run in Barking and Dagenham, Blackpool, and Walsall.

We have reviewed the Commission's recommendation that governments across the UK should oversee the development of subsidised sector-specific bridging courses to enable low skilled workers to gain skills that would enable them to access higher-level training and better paying positions. We fully support the intentions behind the Commission's recommendation and believe that the existing SWAPs, Skills Bootcamps, and Apprenticeships described above will meet this need.

Adult social care

Commission Recommendations

- ▶ Care workers in England should be registered under a central body as in the Devolved Administrations, which can manage and certify their registration, training and ongoing professional and skills development.

The Commission's report highlighted the hard work of the people who work in adult social care and outlined some of the specific challenges faced by the sector. These included significantly higher staff turnover than other public service sectors and negative perceptions of the work and opportunities to develop and progress.

We are taking forwards our system reform programmes and progressing the proposals in the People at the Heart of Care White Paper, including in training and technology. We recognise that reforms to the adult social care system will be crucial to building long-term resilience in the sector to increasing demand.

Our focus will be on supporting the adult care workforce to develop the right skills and knowledge and have access to high-quality training and development opportunities.

Through our continued funding of Skills for Care, the Government already provides a range of resources and practical toolkits for social care providers to help them attract, train and retain staff. This includes distributing funding annually through the Workforce Development Fund, which enables employers to bid for financial support towards the training and development of their staff.

This also includes our continued investment in the social work workforce, including the Think Ahead programme graduate programme to train new mental health social workers.

Providing targeted help for people who need extra support in tackling barriers to higher skilled, higher paying jobs

Commission Recommendations

- ▶ DWP should review the Mid-Life MOT to ensure it is easy to use for those in low pay to help older workers to assess their career and skills needs.
- ▶ DWP should look again at how it can more creatively help with the cash flow problem for parents looking to enter work.
- ▶ DfE should seek to create more subsidised wrap around childcare support and build on and expand the Holiday Activities and Food programme.
- ▶ DWP and the DfE should continue efforts to ensure that parents, and especially those on Universal Credit, are aware of the childcare support available to them and that they are supported in making informed choices.

We recognise some groups need particular support to help them progress to higher earnings, such as parents juggling work and childcare, disabled people and people with health conditions, or older workers.

Childcare

We recognise that without support on childcare, we cannot harness the full potential of our workers, including lone parents and lead carers. The UK Government provides a generous system of childcare support for working parents and is committed to ensuring that DWP's Work Coaches, UC claimants and parents are aware of and understand the childcare choices available to them so they can benefit from it. In June, the first phase of the Childcare Choices advertising campaign was launched across the UK – a collaboration with DfE, HMRC and DWP. The campaign aims to bring together the government support for the costs of childcare in one place, giving people information about 30 Hours Childcare, Tax-Free Childcare and Universal Credit Childcare on the [Childcare Choices](#)⁸ website (which provides information about the UK Government's childcare offers and the free, funded early learning childcare available in England, Scotland, Wales, and Northern Ireland). The campaign aims to ease the pressure on a wider range of working families by encouraging the take up of the various government support packages available to help with the costs of childcare. The campaign was delivered through radio, digital bus stop advertising, paid search, social media, and press advertising. Phase Two of the campaign recently launched as part of the wider Help for Households Cost of Living campaign.

Two further initiatives include: UC's Flexible Support Fund has been extended to any eligible in-work claimant to pay for fixed, up-front costs that may be acting as a barrier to progression for them; and the Move to Universal Credit advertising campaign, which ran from November 2021 to end July 2022 and was aimed at tax credit customers, featured the UC childcare offer as a key message.

Following the success of the Holiday Activities and Food Programme in helping low-income families in England during major school holidays, DfE is also providing over £200 million a year to local authorities to enable this programme to run until the end of 2024/25. This programme will continue to provide enriching activities and healthy, nutritious meals to help with children's social skills and wellbeing, while also relieving some of the pressure on family budgets and helping low-income parents to continue work over major school holidays. In addition, the Department for Education has announced a further investment in the National School Breakfast Programme, extending the programme for another year until July 2024 backed by up to £30million. This will support up to 2500 schools in disadvantaged areas providing free, nutritious breakfast meals to pupils.

In addition, the Department for Education provides three early education entitlements. 15 hours free early education for disadvantaged children (families on Universal Credit earning less than £15,400p.a. may qualify for this support), a universal 15 hours free early education offer for 3 and 4 year olds and an additional 15 hours free early education ('30 hours free childcare') for working parents of 3 and 4 year olds.

Disabled Workers

The Commission highlighted the fact that disabled workers can find it hard to progress in work. We are committed to continuing to improve the support available for disabled people and those with health conditions.

We have a number of practical actions that will improve the everyday lives of disabled people, including helping them to start, stay and succeed in work by:

- piloting adjustments passports by [Access to Work](#)⁹ to provide disabled people with greater flexibility and smooth transitions between job roles. We have already delivered a pilot with students in Wolverhampton, Manchester, and London, launched a pilot for supported interns, apprentices and trainees, and plan to extend this to Services Leavers exiting the armed forces.
- working with employers through the Disability Confident scheme to help them support disabled employees and those with long term health conditions to stay in work and progress.

[Shaping Future Support: The Health and Disability Green Paper](#)¹⁰ published last year explored how the benefits system could better meet the needs of disabled people and people with health conditions.

The Health and Disability White Paper will be published in the coming months and will set out what more we are doing to support more people to start, stay and succeed in work including:

- **trials more Work Coach support** to people with health conditions receiving UC or ESA (Employment Support Allowance).
- **the Work Coach support and new network of District Progression Leads referred to earlier.**
- **extending the Work and Health Programme** to September 2024.

We are also implementing the package of measures announced in the July 2021 [Health is everyone's business consultation response](#)¹¹ to support the recruitment and retention of disabled people and people with health conditions. The measures taken forward will:

- **provide greater clarity around employer and employee rights and responsibilities.**
- address the need for **employers to have clear and compelling information** and advice that is easy to understand, trustworthy and accessible.
- help employers **access quality Occupational Health support.**

Older Workers

The Commission's report rightly recognised the value of older workers and championed the need to support them to progress equally alongside younger workers. We are clear that workers of all age groups will play a part in growing our economy and prosperity.

To ensure older workers are supported to progress in work, DWP is:

- **delivering an enhanced support package for workers over the age of 50** through the 50 Plus: Choices offer which provides additional work coach support to new, eligible over 50s claimants that are searching for work and, for the first time, to over 50s who are long-term unemployed. 37 dedicated 50 PLUS Champions will support work coaches and promote older workers to local employers.

- **working across government**, with employers via the Business Champion for Older Workers, and with external partners, to ensure suitable employer practices and measures are in place to support older workers to stay in, progress or remain close to the labour market.
- **providing older workers with information and guidance on later life planning through the Mid-Life MOT**, helping them to make informed choices and supporting them to stay in and return to work, and to develop their career, including through switching sectors or seeking promotion.

As part of the Department's wider work to develop a new, enhanced offer for older people, we will deliver Mid-life MOTs across three new workstreams:

- The Department will develop and enhance the government's **digital MOT offering in partnership with the Money and Pensions Service**.
- We will deliver Mid-life MOTs through our Jobcentre Plus network, **utilising the expertise and networks of our 50 PLUS Champions to help older jobseekers take stock of their wealth, work, and wellbeing**.
- The Department **is preparing to launch a commercial exercise to identify providers for a holistic, face-to-face Mid-life MOT programme** delivered through employers and direct to employees in three pilot areas (the North East of England; Cornwall & Devon; and East Anglia).

Transport: Connecting People to Opportunities

Commission Recommendations

- ▶ The Commission welcomes the funding commitment that has been made in the Department for Transport's National Bus Strategy for England and calls on the Department for Transport and HM Treasury to ensure that this commitment is translated into a firm multiyear commitment over the next Spending Review.
- ▶ In England, local authorities should fully utilise the powers available to them under the Bus Services Act 2017, including the ability to set and limit fares, allow use of flexible ticketing, implement bus franchising, and create Enhanced Partnerships. Devolved Administrations should also consider the benefits of these mechanisms in the design of their transport policy.
- ▶ In advance of launching its progression offer, the DWP should consider a high-level communications campaign to inform people on low pay that the government is changing how it supports them.

Improving transport infrastructure to support progression opportunities

The Commission highlighted the vital need to ensure that workers in low pay can physically take up progression opportunities, pointing to the dependency of many low-paid workers on public transport and how local transport does not always meet people's needs.

Our investment in, and focus on, local transport networks will make a real, tangible difference to residents, workers, and businesses, including access to good jobs and the ability to take up opportunities at work. This includes:

- **£5.7 billion over five years for the City Region Sustainable Transport Settlements (CRSTS)**, delivering integrated transport settlements for eight city regions in England, funding projects like starting Sheffield Supertram renewals. CRSTS includes investments in the bus and local rail network, light rail systems and cycle lanes, that will all lead to better accessibility, stronger agglomerations and health benefits that can raise productivity.
- **£2.7 billion over the next three years for local roads maintenance in places not receiving City Region Settlements** – enough to fill millions of potholes a year, repair dozens of bridges and resurface roads in England. Maintaining local roads leads to less unplanned maintenance, less congestion and to more reliable journey times, reducing the cost of doing business, facilitating transport of essential goods and services and access to national and international markets, and contributing to job creation benefits throughout the country.

- A step-change in investment, delivering the commitments in the [Bus Back Better: National Bus Strategy](#)¹² and [Gear Change: A Bold Vision for Cycling and Walking](#)¹³. Bus improvements can improve journey times, reliability and increase capacity of the transport network. That in turn can lead to increases in the effective size of cities and towns, leading to agglomeration benefits, larger, deeper labour markets and higher productivity. The bus network enables access to about 400,000 jobs which would otherwise be inaccessible to the labour market - equivalent to an economic output of £400 million per annum (assumed to be at 2012 prices).
- **Implementing Enhanced Partnerships**, a statutory partnership between one or more Local Transport Authority and their local bus operators that sets out how they will work together.
- **Providing over 600m to increase walking and cycling since 2020.** Over £200m of projects are in delivery this financial year including £161 million to deliver 134 walking and cycling infrastructure schemes across 46 local authorities including new footways, cycle lanes and pedestrian crossings. Active travel schemes have large health benefits that improve productivity through fewer working days lost through sick leave, improve access to jobs and skills, help to rejuvenate local high streets and make more efficient use of road space to increase overall movement of people.
- **Local transport improvements as part of the £4.8 billion Levelling Up Fund**, such the A16 corridor in Lincolnshire.
- Exploring how the planning system can facilitate better collaboration across local authority boundaries so growth is aligned with both strategic and local infrastructure delivery.

In-Work Progression and Public Procurement

Commission Recommendations

- ▶ The Government should increase the minimum weighting of social value in public procurement to 20% over time.
- ▶ The Cabinet Office should develop a mechanism for sharing good practice in assessing social value between public procurement teams in local, national and devolved authorities.

The Commission also advocated for using the social value element of public sector procurement to further incentivise businesses to improve the quality of their employment offer.

We have assigned a minimum 10% weighting to social value in the award of central government contracts in the evaluation of a bid, where it is relevant, proportionate, and non-discriminatory to do so. It is intended that the inclusion of a social value element will help us to recognise and take account of the additional benefits that can be achieved through the delivery of UK Government contracts. This can play a key role in influencing strong employment practices, including on offering training, skills development, opportunities to progress and the ability to achieve higher earnings.

As 10% is a minimum level, UK Government departments can increase the weighting over time and are encouraged where appropriate to consider doing so. Some Departments, including the Crown Commercial Service and the Ministry of Justice, have already increased the weighting for some projects above the minimum - where particularly relevant to the subject of the contract and proportionate to its value. The UK Government will continue to review the minimum threshold.

Crown Commercial Service, Digital Specialists and Programmes procurement

In their recent procurement for framework contracts for digital specialists and programme suppliers, Crown Commercial Service asked potential suppliers to demonstrate how they will enact their social value and corporate social responsibility priorities within the complex IT development and operations environment, including:

- Promotion of diversity in terms of developing staff and motivating teams.
- Considering the needs of digitally excluded end-customers.
- Creating employment and training opportunities particularly for those who face barriers to employment and/or who are in deprived areas, and for people in industries with known skills shortages or in high growth sectors.
- Ensuring their staff are aware of their contribution to these responsibilities.

For digital programmes suppliers, the weighting for these social value and corporate social responsibility indicators was 20% and for Digital Specialists it was 60%.

To share good practice, the Cabinet Office has set up a pan-government knowledge-sharing group called the Social Value Network. The Cabinet Office has requested that all Commercial Directors nominate a representative to attend this group and submit a social value implementation plan, feedback on which is shared with the Network to promote continuous improvement.

In addition, Cabinet Office is represented on the Steering Group of the National Social Value Taskforce and attends as a member of that group, to participate in cross-sector learning. The network comprises of members from the wider public sector, devolved authorities, private and Voluntary, Community and Social Enterprise (VCSEs) sectors.

The quality of jobs

The Commission's report recognised that 'good work' standards have a key role to play in improving progression opportunities throughout the UK by raising the bar for employment standards and supporting businesses to offer high quality jobs.

We recognise that 'good work' means different things to different people. [The Good Work Plan](#)¹⁴ sets out five foundational principles of quality work: satisfaction, fair pay, participation and progression, wellbeing, safety and security, and voice and autonomy.

To support in-work progression, we are committed to the continuous improvement in the quality of jobs and will achieve this by both creating new jobs focused on UK Government priorities and encouraging employers to make improvements to their existing workforce through offering training, careers options, wage increases and investment. This will enable workers to progress into better-paid and better-quality jobs, whilst also enhancing and productivity.

The Commission highlighted that a lack of flexible working, particularly in more senior roles, is a barrier to progression for many low paid workers, particularly for women, older workers, and disabled people and those with health conditions. This is why the UK Government is seeking to better support employees and employers to agree ways of working that bring benefits to both.

The Department for Business, Energy and Industrial Strategy recently published its response to the consultation [Making Flexible Working the Default](#)¹⁵, which commits to extending the right to request flexible working to all employees (an estimated additional 2.2 million) from their first day of employment. The response commits to further changes to the right to request flexible working that will encourage a better dialogue between employers and employees about the benefits of flexible working opportunities, increase the possible frequency of requests and speed up the administrative processing of requests. BEIS has also consulted on proposals for a new entitlement to carer's leave. The Government response to the consultation on carer's leave, published in September 2021, commits to introducing carer's leave as a day 1 right, available to employees who are providing care for a dependant with a long-term care need.

As well as this, Government commissioned Matt Warman MP to lead a review into the future of work. This review concluded in September 2022, recommending that we should look to '...enhance the wellbeing of employers, employees and the self-employed' and stating his belief that there are important opportunities to make further progress regarding workers' rights. A cross-Government programme of work is already underway to address the recommendations of the Review.

Central coordination of In-Work Progression policy across Government

Commission Recommendations

- ▶ For national and England-only policies, the UK Government should create a body or oversight mechanism that can bring together the work of the Department for Work and Pensions, the Department for Education, the Department for Business, Energy and Industrial Strategy and the Department for Transport in providing a long-term focus on in-work progression.

The UK Government has considered the Commission's recommendation to establish a body or oversight mechanism that can bring together the work of relevant departments but believes that the existing structures across Government are working together sufficiently robustly to drive our agenda of ensuring more people secure, stay and succeed in higher paid, higher quality jobs.

Supporting employers on In-Work Progression

Commission Recommendations

- ▶ The Government should work with employers to consider how businesses can best be supported to accurately monitor individual progression over time, increasing transparency around in-work progression, with particular focus on those in the lowest-skilled roles. This could include developing an appropriate metric to track individual progression and looking at whether, in the longer term, pay reporting data should be part of annual company reports.
- ▶ Businesses and employers of all sizes should adopt the 5-point progression checklist.
- ▶ Developing transparent progression pathways within a company and an industry is paramount to ensuring that entry-level jobs are a stepping-stone. Low pay sector bodies, employer representative bodies and employers, as appropriate, should lead development of these pathways. They should also consider reviewing what qualifications, if any, should be required at each stage of the pathway.
- ▶ Companies should make an appropriate senior leader responsible for embedding support for progression into management practice.

As the Commission set out, employers have an essential role to play in helping people to boost their pay and productivity, something which is of clear benefit to both employers and organisations.

Since the publication of the Commission's report, the DWP has been working with employers and their representative bodies, such as the British Retail Consortium and the Federation of Small Businesses, to understand their approach to supporting progression and to explore the recommendations set out in the Commission's report, including the adoption of the 5-point progression checklist. DWP and BEIS will continue these conversations and will engage with employers, representative bodies and other government departments on the new measures being put in place to help the low paid progress. We will also explore the feasibility of developing a suitable measure of progression.

Phoenix Group is an example of an employer that has used the recommendations from the report to transform their progression offer.

Phoenix Group's Commitment to Progression

Phoenix Group is the UK's largest long-term savings and retirement business.

Since the publication of the report, Phoenix has [identified three areas](#)¹⁵ they are taking action on to further improve the opportunities for all its employees, no matter their background. These are:

1. Improving its recruitment of traditionally 'hard to reach' unemployed people
2. Conducting a deeper data analysis on in-work progression across all grades, the take-up rates of learning resources and qualifications by grade, age, and business areas
3. Using their data and colleague experiences to:
 - a. Improve storytelling around successful training and career development outcomes
 - a. Make targeted interventions in areas and grades where there are barriers to progression

Whilst it is too early to see full results, Phoenix is confident that they have put the structures in place for longer term success and is taking action to remove barriers to career progression.

End notes

- 1 The majority of people in the Light Touch group have earnings which are equivalent to them working between 15 hours per week at the National Living Wage and 35 hours per week at the National Minimum Wage.
- 2 Delivered in England and Scotland. Separate provision is available in Wales. In England, SWAP training is fully funded for learners earning less than £17,374.50 annual gross salary.
- 3 As stated in the scope of the response skills provision is devolved to the Scottish and Welsh Governments.
- 4 More information is available at [What qualification levels mean: England, Wales and Northern Ireland - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/what-qualification-levels-mean-england-wales-and-northern-ireland). More information on skills levels in Scotland is available at [Interactive Framework | Scottish Credit and Qualifications Framework \(scqf.org.uk\)](https://www.scqf.org.uk/)
- 5 [Measuring the Net Present Value of Further Education in England 2018-19 \(publishing.service.gov.uk\)](https://www.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/428217/Measuring-the-Net-Present-Value-of-Further-Education-in-England-2018-19.pdf)
- 6 [Higher technical education: current system and case for change](https://www.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/428217/Higher-technical-education-current-system-and-case-for-change.pdf)
- 7 [BUDGET 2021: Protecting the jobs and livelihoods of the British people \(publishing.service.gov.uk\)](https://www.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/428217/BUDGET_2021_Protecting_the_jobs_and_livelihoods_of_the_British_people.pdf)
- 8 [Childcare Choices](https://www.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/428217/Childcare-Choices.pdf)
- 9 [Access to Work: get support if you have a disability or health condition - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/access-to-work-get-support-if-you-have-a-disability-or-health-condition)
- 10 [Shaping Future Support: the Health and Disability Green Paper](https://www.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/428217/Shaping-Future-Support-the-Health-and-Disability-Green-Paper.pdf)
- 11 [Government response: Health is everyone's business \(publishing.service.gov.uk\)](https://www.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/428217/Government-response-Health-is-everyones-business.pdf)
- 12 [Bus Back Better: National Bus Strategy](https://www.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/428217/Bus-Back-Better-National-Bus-Strategy.pdf)
- 13 [Gear Change: A Bold Vision for Cycling and Walking](https://www.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/428217/Gear-Change-A-Bold-Vision-for-Cycling-and-Walking.pdf)
- 14 [Good work plan - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/good-work-plan)
- 15 [Making flexible working the default \(publishing.service.gov.uk\)](https://www.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/428217/Making-flexible-working-the-default.pdf)
- 16 [Everyone's a winner: how in-career progress can work for all. | Phoenix Group \(www.thephoenixgroup.com\)](https://www.thephoenixgroup.com/)



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