

ies institute for employment studies


Working for the Future: Commission on the Future of Employment Support

Tony Wilson, Institute for Employment Studies
tony.wilson@ies.ac.uk [@tonywilsonIES](https://twitter.com/tonywilsonIES)

abrdn Financial Fairness Trust

1

About the Commission



ies institute for employment studies

- Established to develop evidence-led proposals for reform of our system of employment support and services
- Defining employment support as **public or publicly-funded services** that:
 - Help people who want to move into work, stay in work or progress in work to do so
 - Help employers to find, recruit and retain the right people for their jobs
- Will include looking at:
 - How support is organised at a UK level, within UK nations and locally
 - Role and function of Jobcentre Plus and of wider contracted or commissioned support
 - How employment is supported in wider public services like education, skills and health
- Commission will run for around eighteen months, hosted by IES with funding and support from abrdn Financial Fairness Trust

abrdn Financial Fairness Trust

2

What do we mean by employment support?

- Helping people who are out of work and would like to work
- Supporting retention and progression for those in work
- Working better with employers to recruit and retain
- Effective partnerships locally, with wider services, within industries

Figure 3.1: Five key functions of employment support and services

For people	For employers	With partners
<ul style="list-style-type: none"> • Job preparation, matching and brokerage support for the unemployed • Specialist support for those further from work, including those who may be economically inactive (often delivered by grant-funded or contracted partners) • Administration of social security benefits for those of working age 	<ul style="list-style-type: none"> • Employer-facing support and services to fill vacancies, broker people into jobs and (in some cases) provide support and advice for those in work 	<ul style="list-style-type: none"> • Co-ordination and collaboration – within places, with wider public services and with industry or employer bodies

3

Commissioners

Ten commissioners from across employment support, public services, business and civil society

- Ashwin Kumar – Professor of Social Policy; Manchester Metropolitan University
- Carmen Watson – Chairperson, Pertemps Network Group
- Fran Beasley – former Chief Executive, London Borough of Hillingdon
- Karen Brookes – Director of People and Infrastructure, Sir Robert McAlpine
- Kate Bell – Assistant General Secretary, Trades Union Congress
- Liz Sayce – Visiting Fellow, London School of Economics and Political Science
- Michael Sheen – actor and producer
- Mubin Haq – Chief Executive; abrdn Financial Fairness Trust
- Neil Carberry – Chief Executive; Recruitment and Employment Confederation
- Sumi Rabindrakumar – Head of Policy (Families, Welfare and Work); Citizens Advice (maternity cover)

4

Timing and process

Three phases:

Evidence gathering

To summer 2023

What are the issues, challenges and opportunities?

What's working that we can build on?

What needs to change?

What can we learn from?

Exploring options

Second half of 2023

Options development – what could work?

Options appraisal – strengths, weaknesses, opportunities, threats?

Proposal design

Early 2024

Co-designed, evidence led, consensus based, costed proposal for future reform

5

Progress so far

Since our launch in November 2022, we've:

- Run a Call for Evidence, with nearly 100 responses and around 250 pieces of evidence
- Held twenty consultation events (workshops, webinars, expert evidence sessions and focus group) hearing from over a hundred people with professional expertise and/ or experience of using services to look for work or to fill jobs
- Conducted an extensive evidence and literature review, from the UK and overseas
- Heard directly from people in national and local governments (across all four UK nations); people working in employment services; large and small employers and their representatives; colleges and training providers; careers services; social landlords; people working in health services; academics and researchers; international experts; and service users
- Key outputs – launch report, summary of Call for Evidence, interim report – all available at www.bit.ly/employment-commission

6

Why the need for reform?

Twin challenges of a changing labour force ...

- Significant challenges pre-covid around employment inequalities; spatial disadvantages and weak productivity growth (stemming from underinvestment)
- Post-covid recovery has been among the weakest in the developed world – driven by more people outside the labour force entirely
- Looking forward, our ageing population means that this will be a permanent rather than temporary challenge
 - 1.7 million more people in their 50s and 60s than a decade ago
 - 600k fewer young people (18-24 year olds)
 - And less scope for economic migration to address this in future
- *Thirty years ago there were four people aged 20-64 for every person aged 65 and over; in thirty years time this will have halved to just two people*

7

Why the need for reform?

... and of a changing labour market

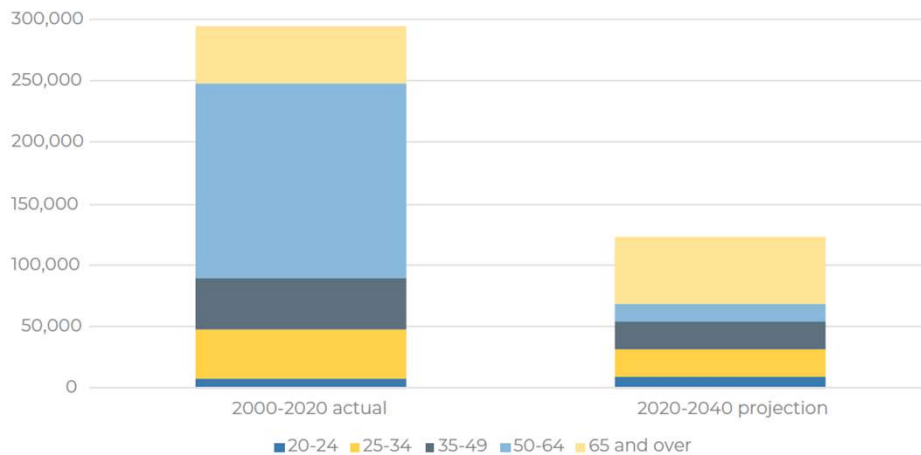
- **Skills:**
 - More high-skilled work, but not enough highly qualified workers – estimated shortfall of 2.5 million by 2030
 - Less low-skilled work but too many low qualified workers – estimated surplus of around three million by 2030
 - Significant spatial inequalities in access to good jobs and the right workforce
- **Technology** – transformational changes in economy and society, and a risk for the UK if we cannot harness the benefits
- **How we live and work** – growth of hybrid and flexible working
- The transition to a **net zero** economy

8

Employment growth set to (more than) halve

Equivalent to 3.4 million fewer people in work by 2040

Figure 2.3: Average annual employment growth – 2000 to 2020, forecast for 2020 to 2040



Source: Annual Population Survey; and IES projections

Key findings from the Commission's work

Supporting people

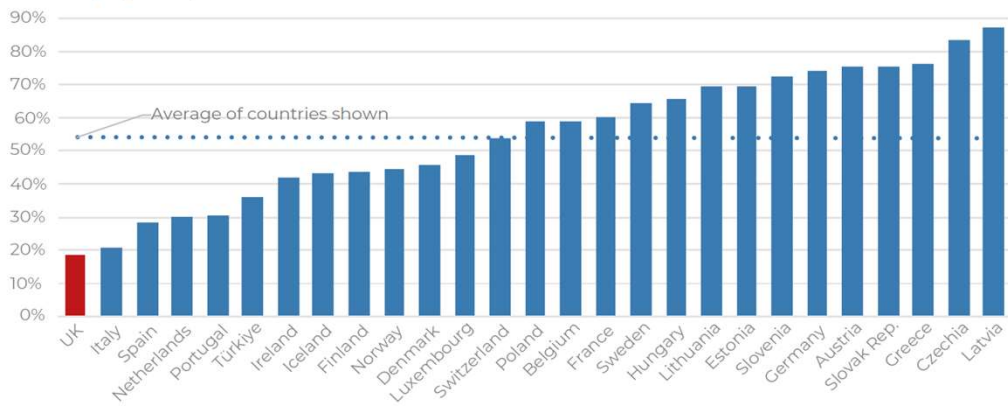
- Services work best when there is local involvement, effective partnerships, employers are engaged and individuals are empowered
- However, we heard seven key challenges:
 - **Narrow focus** – many of those who could benefit from support are unaware of it, unable to access it or not eligible
 - **Personalisation** – support is often not well tailored to individuals' needs
 - **'Any job' mindset** – which could be fuelling turnover, discouraging people from accessing support, disempowering jobseekers and alienating employers
 - **Compliance and sanctions** – with sanction rates doubling since 2019, and too many interactions focused on box-ticking and monitoring
 - **Skills and careers** – poor co-ordination and limited access to flexible, ongoing support
 - **Navigation** – complicated landscape, limited capacity and capability to join up with wider services
 - **Self-employment** – little or no structured support for those seeking it

Key findings from the Commission's work



Supporting people – not enough people access employment support

Figure 3.1: Share of jobseekers (aged 15-64) who have contacted the public employment service to seek employment, 2020



Source: OECD analysis of EU-LFS, published in OECD (2023) Evaluation of Active Labour Market Policies in Finland, February 2023

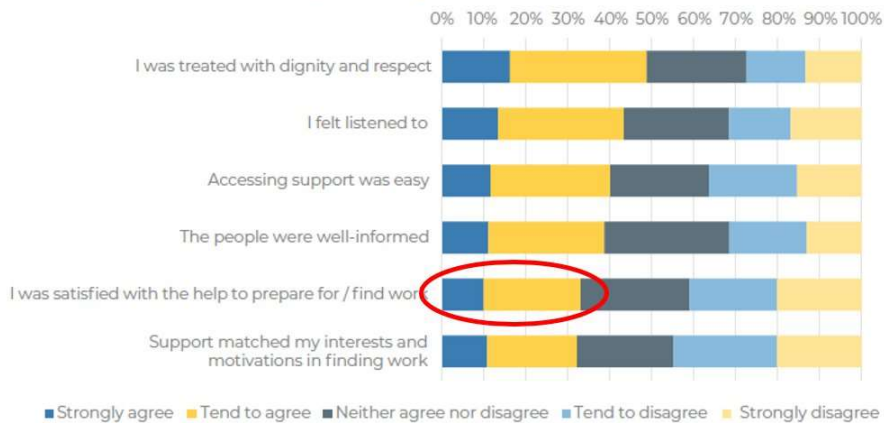


Key findings from the Commission's work



Supporting people – those that do access it have mixed views

Figure 3.7: Views of Jobcentre Plus support among users, looked for work since 2020



Source: YouGov polling for Commission on the Future of Employment Support, 23-27 September 2022. Excludes those who answered Don't Know. Base: 547 respondents.



Key findings from the Commission's work

Supporting people – those that do access it have mixed views

'I've got two children with additional needs and that didn't even come into the mix at all whatsoever. How many appointments or meetings I had to do didn't come into any conversation at all. No, they weren't interested in my personal life at all. It felt [just] just ticking that box, getting that job.'

Participant, Consultation with parents

'It definitely does feel like they are trying to push you through the system very quickly and to put you into any role that's out there just to get you into employment, without properly thinking about what's right and what you want and what your circumstances are.'

Participant, Consultation with young people

'My experience with the job centre, I'd say is generally mostly negative... I felt like literally, like a number. I didn't feel like a human being... There was no human connection.'

Participant, Consultation with parents

Key findings from the Commission's work

Working with employers

- We heard a range of good practices, around:
 - Making recruitment more inclusive and broadening access to work
 - Linking up help for individuals with advice and support for the employer
 - Organisations using their own leverage as large employers or funders
 - Working with firms to support better retention and progression
- But there were major challenges too:
 - A 'goods led' approach – overly focused on vacancy collection and job applications – rather than a 'needs led' one focused on recruitment support, talent acquisition/management, workforce planning, job design etc
 - Poor alignment with skills support – making it harder to have a coherent offer
 - Lack of effective co-ordination of services and support, especially in England
 - Low employer awareness and engagement – often exacerbated by limited reach into smaller employers

Key findings from the Commission's work

Working with employers – mixed views from the consultations...

'It's a kind of "throwing darts at a dartboard" kind of effort. But from the employer's perspective that's very frustrating, because you've got those people turning up or maybe not turning up who don't really want that job. They have no interest in it, but they've been told to apply for it. And you know, I've heard this directly from people who have said, "I've taken an afternoon out to interview people ... [and] none of them showed up." And for a small employer that kind of friction is quite difficult to manage ... If you're a small employer and that's your time and you're running the business, it's quite a big deal and it's going to put you off.'

Evidence session with employer bodies

'Employers want a service which responds to the needs of the local labour market and they want a service that delivers candidates who want the jobs available.'

Federation of Small Businesses

Key findings from the Commission's work

Working in partnership

- There are models that we can learn from and build on:
 - 'Labour Market Partnerships' in Northern Ireland; co-located hubs and 'no wrong doors' models in local areas
- But a strong view that good practices are in spite of rather than because of our system
 - Infrastructure to support joining up doesn't exist
 - Jobcentre Plus involvement is patchy – with limited institutional or local autonomy
 - Short-termism, silos and funding pressures make partnership working harder
 - No independent oversight or regulation of the quality and standards in publicly-funded employment support

Key findings from the Commission's work

Working in partnership

'We are co-locating in GP surgeries and our local GP surgeries will send texts out to people on their surgery list asking them if they want employment support. They've been very successful. I think because people tend to trust their GPs, and with a message coming from their GP they tend to trust the stuff that's following...'

Social landlord, workshop with housing associations

'[Employment services] are often poorly aligned with employer and jobseeker "functional economic geographies". Residents, businesses and training providers don't think in terms of where the local authority boundary happens to be. Many businesses who would really benefit from the Workforce for the Future support are excluded because of where they are based – the postcode lottery creates unfairness.'

Business West

'I would have really appreciated DWP working better with local organisations that are very much instrumental to the community... If [a] person's already getting assistance from another organisation, DWP should figure out how to integrate their service into that rather than being a lonely island... it needs to be a collective collaboration to get people into employment.'

Participant, Consultation with young people

Key findings from the Commission's work

Digital delivery

- Views that advances in technology could transform how we deliver services in future:
 - Extending support to more people in cost-effective ways
 - Enabling jobseekers to access the full range of traditional 'jobcentre' services remotely
 - Improving services and support for those more disadvantaged – more flexibly, on demand and with more opportunities to access wider support and networks
 - Collapsing bureaucratic silos between different programmes and services, and creating a modern gateway for jobseekers, employers and wider partners
- As long as we can also mitigate potential risks – around cost-cutting, digital exclusion, biases in technology/ recruitment

Working for the Future: options for reform

We think that there are three key objectives for a reformed system:

1. To provide inclusive, tailored and effective support that can empower people who are out of work or who want to get on in work to find the right job for them
2. To enable employers to be better able to recruit and retain the people and skills that they need
3. To support a stronger economy and more equitable society

Working for the Future: options for reform

So we also suggest six 'design principles' to inform future options

Empowering

- Gives service users control (individuals and employers) and enables them to access and navigate support and manage their own journey
- Built on user engagement in design as well as delivery - individuals, employers and social partners
- Advisers have agency to tailor support to individuals' needs

Efficient

- Supports labour market efficiency - helping to address labour and skills mismatches
- Maximises use of resources and is affordable within budgets
- Supports transparent performance reporting and can address variations in performance

Equitable

- Supports higher participation in the labour market
- Helps to narrow gaps in opportunity between different groups and areas

Sustainable

- Delivers improved economic, social and fiscal outcomes, including a sustainable benefits system
- Can support a long-term approach, based on consensus and able to take advantage of future change
- Enables a vibrant and high quality market of providers
- Is evidence led, with mechanisms for sharing insight and improving
- Is resilient to changes in the economic cycle, including periods of high unemployment

Joined up

- Is joined up with wider services - with effective co-ordination, alignment and delivery
- Enables access to appropriate support and services; and the delivery of employment support in different settings

Deliverable

- Can be implemented within reasonable timescales and with manageable risk
- Can command broad support from key stakeholders, partners and service users
- Has clear accountabilities and responsibilities, at all levels
- Can respond effectively to changing needs

But very different ways to achieve these

As we start to develop options, need to consider, among other things:

Universal	➔	Targeted
Transactional	➔	Relational
Integrated	➔	Co-ordinated
Conditional	➔	Voluntary
National	➔	Local
Public sector	➔	Mixed markets

To focus on a few of these...



ies institute for employment studies

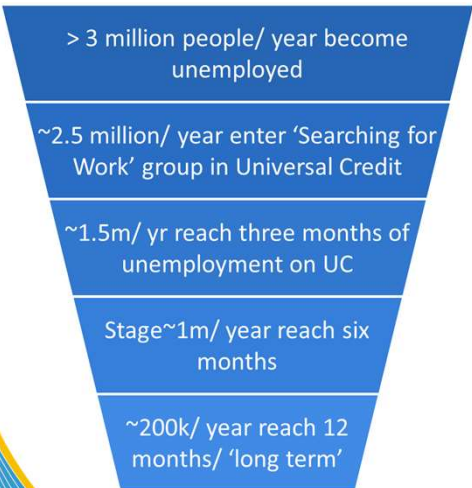


abrdn Financial Fairness Trust

21

Universal → targeted?

Unemployed



- > 3 million people/ year become unemployed
- ~2.5 million/ year enter 'Searching for Work' group in Universal Credit
- ~1.5m/ yr reach three months of unemployment on UC
- Stage~1m/ year reach six months
- ~200k/ year reach 12 months/ 'long term'

Economically inactive

8.8 million people 'economically inactive' – includes:

- 2.6m long-term ill health
- 2.3m students
- 1.6m family/ home
- 1.1m retired
- 1.1m 'other' reasons

1.7 million want to work now (includes 300k students)

Further 1.4m non-students expect to work in future


Job changers

4 million people change jobs each year


~1 million move from 'low skilled' jobs

Out of ~7 million low skilled workers

~ 1 million 'live' vacancies in economy; ~250k new vacancies each week



ies institute for employment studies



abrdn Financial Fairness Trust

22

Transactional → relational?

For people

Labour market information

Job preparation and jobsearch advice

Jobseeking guidance and support (e.g. skills assessment, CVs, interview skills)

Job brokerage into work

Access to specialist support – caseworkers, training, rehabilitation, financial support, etc

For employers

Resources to support recruitment/ retention

Vacancy placing services

Candidate matching

Job brokerage

Advice and support on recruitment, job design, training etc

Access to wider employer and business services

How we deliver services


- **Local and national:**
 - What do we mean by local – policy, funding, delivery?
 - What best sits as a national service, or a more local one? For whom?
 - National accountability/ standards within local services...
 - Local responsiveness within national services
- **Integration and joining up:**
 - Can't integrate everything – what sits in an employment support system, what sits alongside it?
 - What is delivered within services and what through onward referral?
 - How do we support good work through wider public services – including health, early years, housing, community services etc
 - And how support better work in wider employer engagement – national, local, sectoral, functional support/ services

So what does this mean for careers?!

Keen that you can tell us – what, how, where, when, for whom?

- Careers as an integral part of employment support/ services or alongside it?
- Commissioned/ delivered nationally (four nations) or more locally (and for whom)?
- What partnerships, governance, good practices would need to be in place to support this?
- Implications for employment policy, employment services, workforce, wider public services
- Careers services and support in other public services and contexts
- And role of employers and the workplace

25




ies institute for
employment
studies

Working for the Future:

Commission on the Future of Employment Support

Tony Wilson, Institute for Employment Studies
tony.wilson@ies.ac.uk [@tonywilsonIES](https://twitter.com/tonywilsonIES)

 abrdn
Financial Fairness Trust

26