



WORKING FOR **THE FUTURE**

FINAL REPORT

THE COMMISSION ON THE FUTURE
OF EMPLOYMENT SUPPORT



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Financial Fairness Trust

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Commissioners

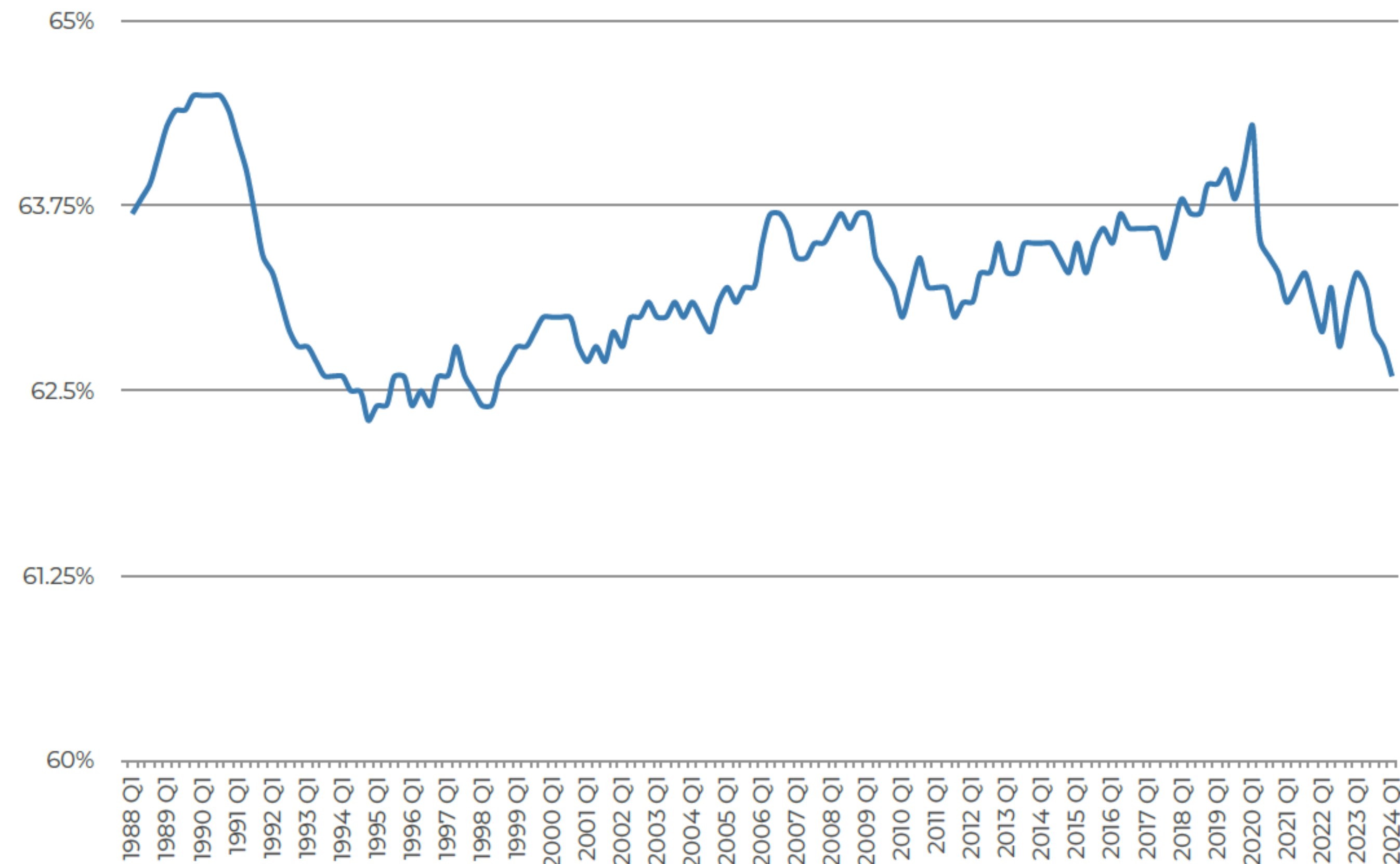
Ten commissioners from across employment support, public services, business and civil society

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

The case for reform (1)

Lowest 'participation rate' in a generation – and most prolonged contraction since early 1990s...

Figure 1: Proportion of people aged 16 and over who are either employed or unemployed

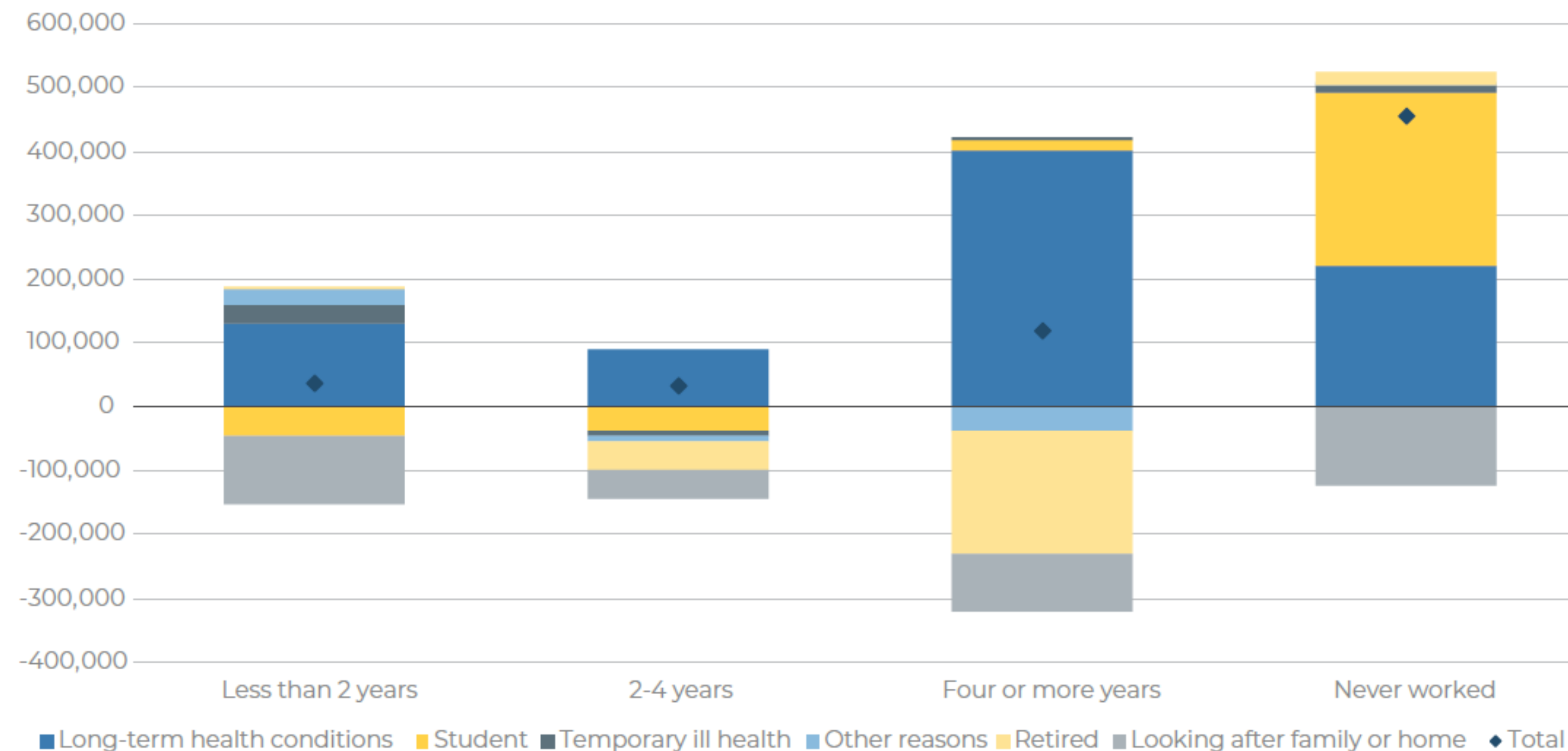


Source: IES analysis of Labour Force Survey

The case for reform (2)

Vast majority of growth in worklessness since 2019 explained by people who last worked before Covid-19 or have never worked – not by recent exits

Figure 2: Change in economic inactivity by length of time out of work and main reason given, Q1 2019 to Q1 2024

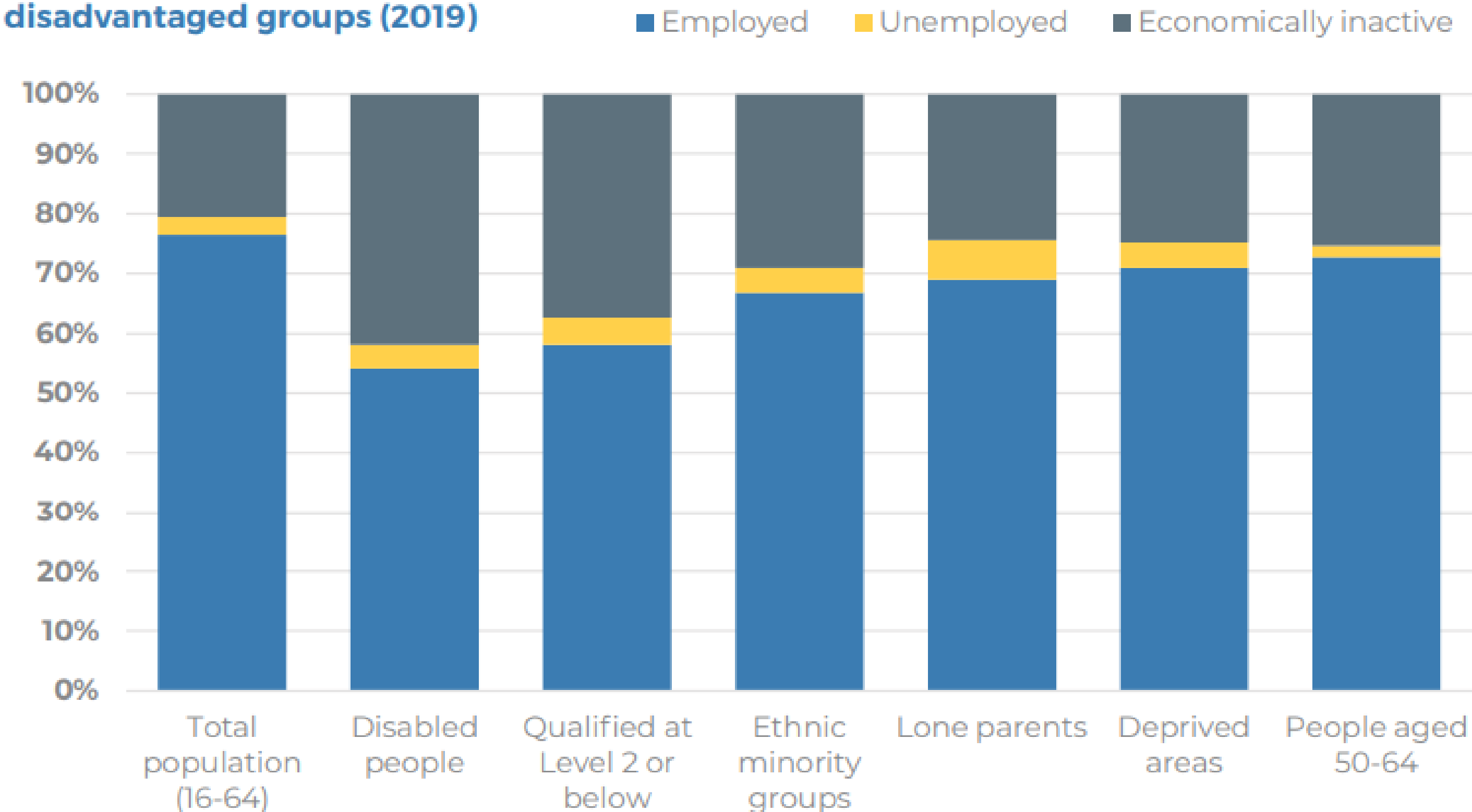


Source: IES analysis of Labour Force Survey. Note that 2019 data has been modelled to address a discontinuity in population weighting between 2019 and 2024. To do this we have assumed a uniform impact from reweighting or reasons for economic inactivity.

The case for reform (3)

Even before the pandemic we had really significant inequalities in the labour market

Figure 2.1: Employment, unemployment and economic inactivity for selected disadvantaged groups (2019)

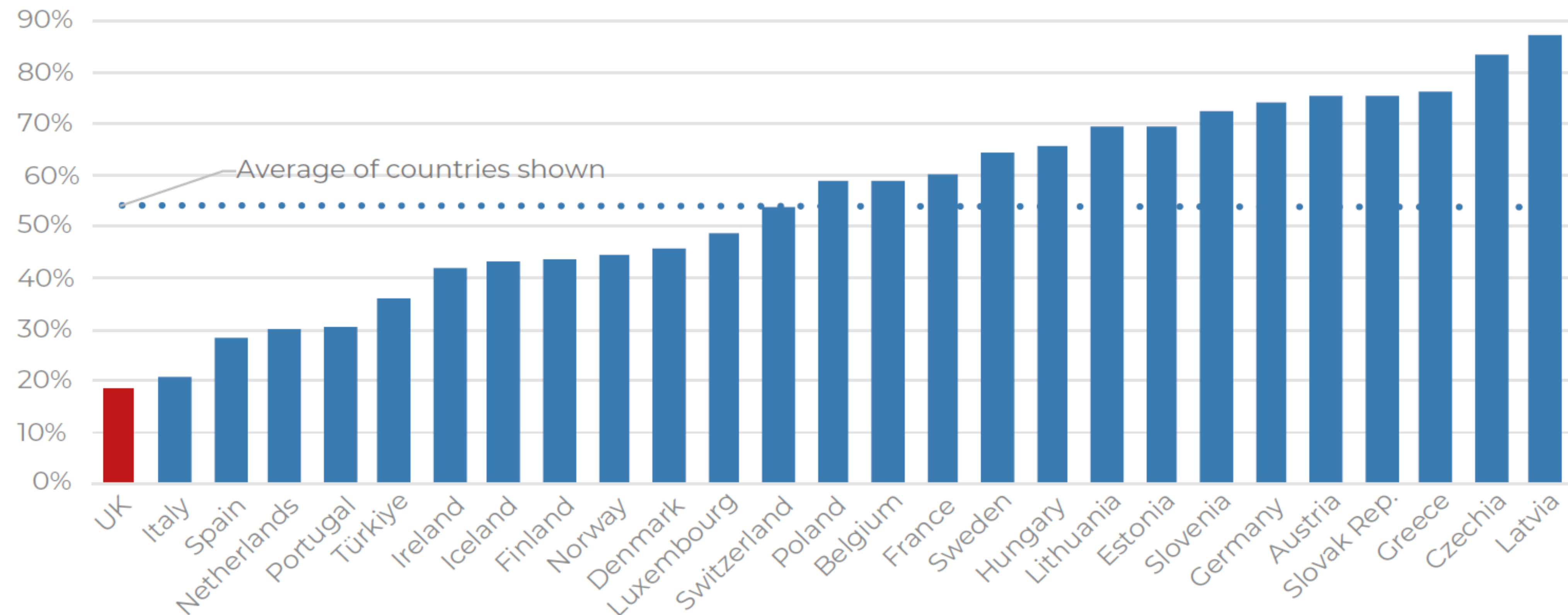


Source: IES analysis of LFS, Annual Population Survey (APS) and Index of Multiple Deprivation (IMD).
All gaps use LFS Oct-Dec 2019, except for 'most deprived areas' which uses APS data for Jan-Dec 2019.
Deprived areas are defined as the bottom quintile of local authorities on IMD income deprivation measure

The case for reform (4)

We have the least well-used employment service in Europe – just one in five jobseekers

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

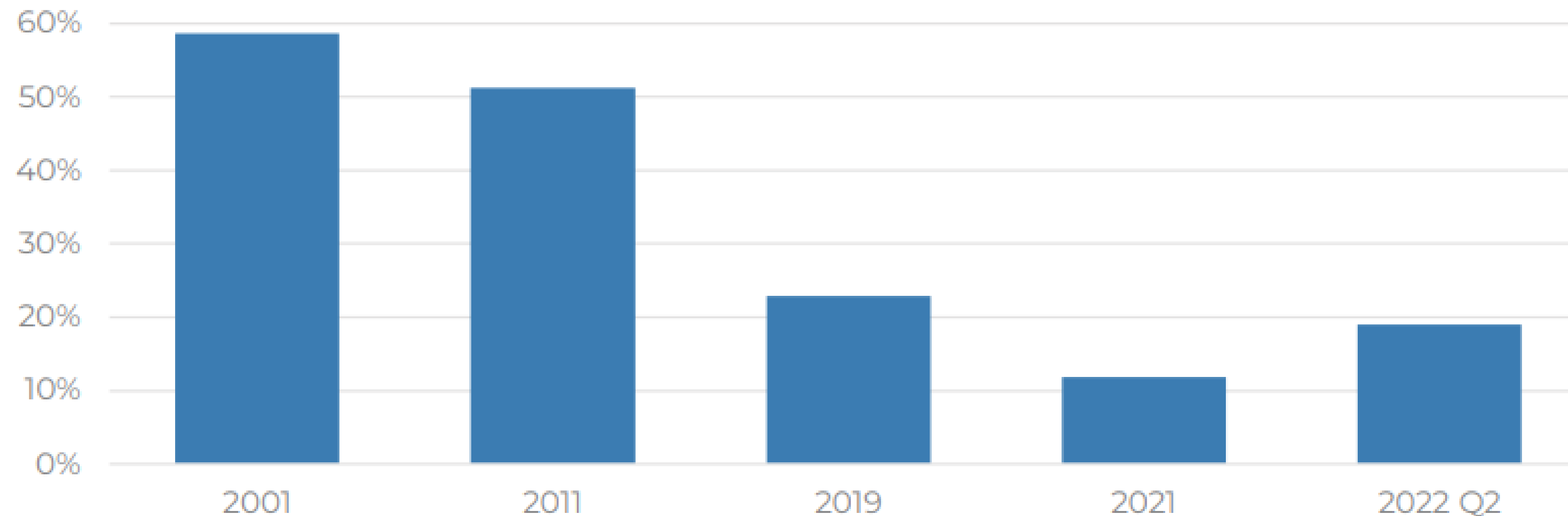


Source: OECD analysis of EU-LFS, published in OECD (2023) Evaluation of Active Labour Market Policies in Finland, February 2023

The case for reform (4½)

That's not always been the case

Figure 3.4: Proportion of unemployed who reported visiting Jobcentre Plus to look for work

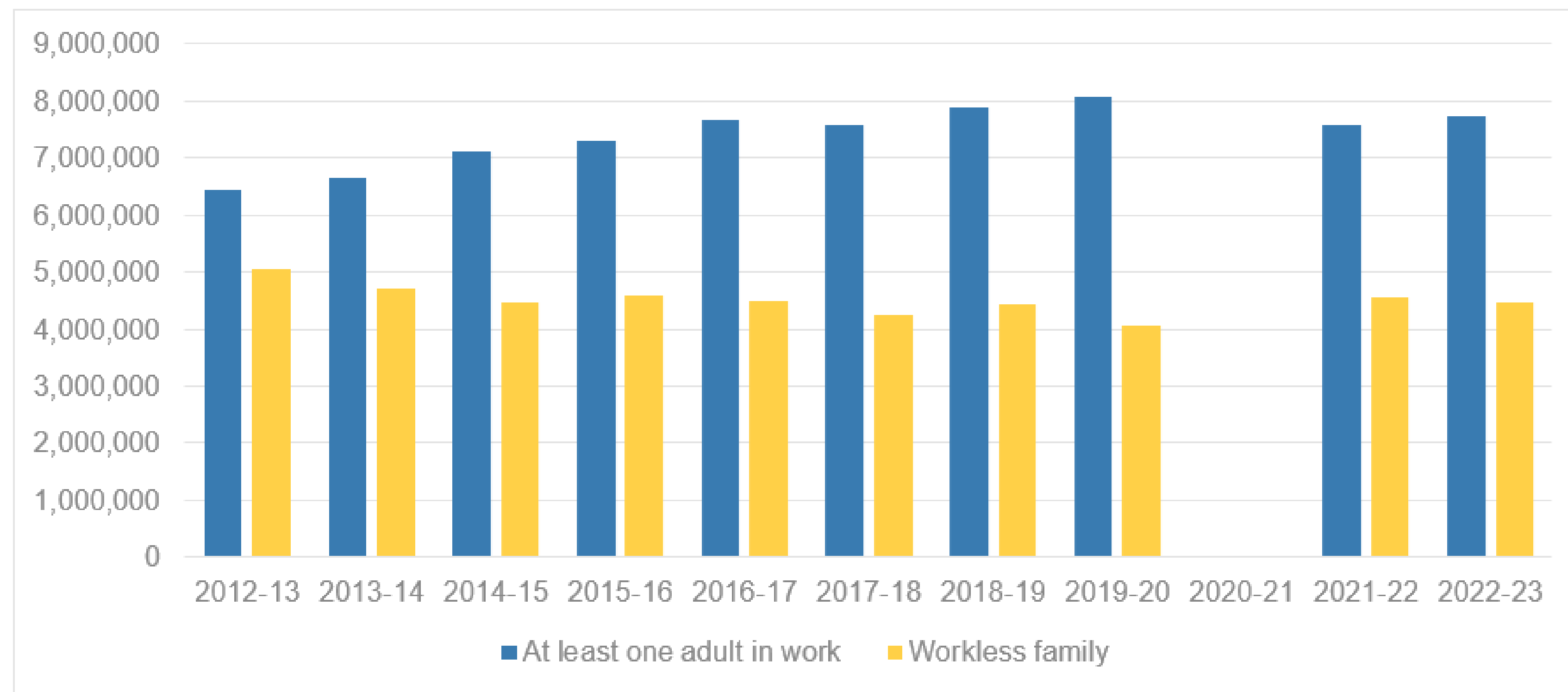


Source: IES analysis of Labour Force Survey

The case for reform (5)

Work is not a route out of poverty – Two thirds of all poverty in households where someone works

Number of people in relative income poverty by economic status of adults in household

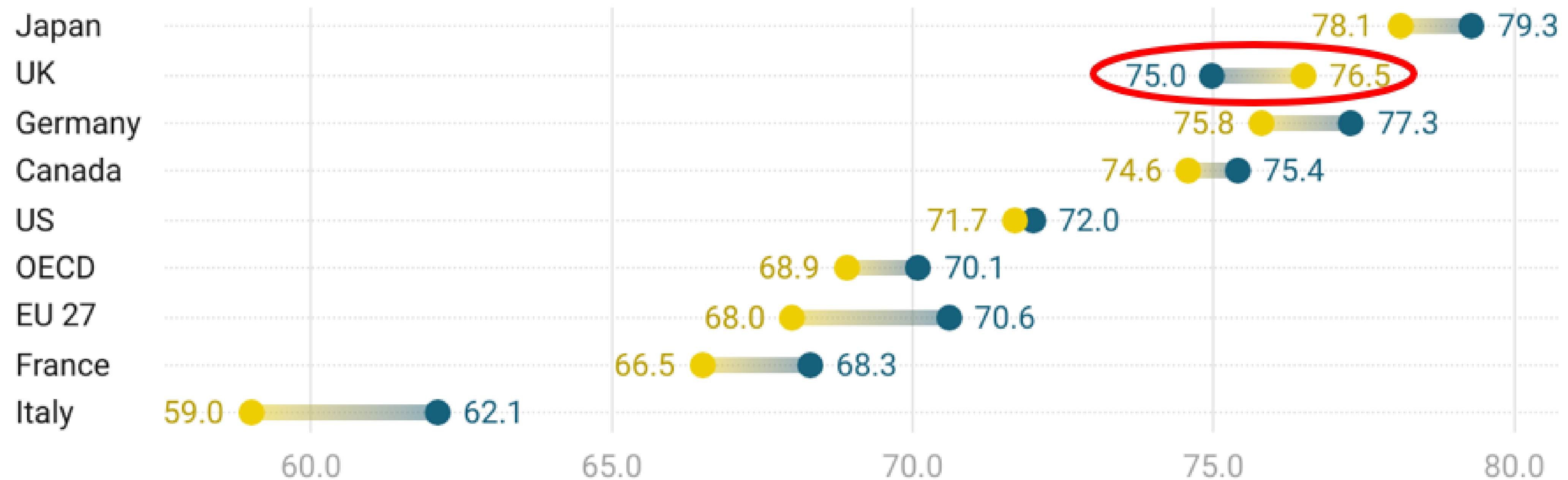


Source: Households Below Average Income. Relative poverty defined as 60% of median income after housing costs. Figures exclude pensioner households./

The case for reform (6)

This just isn't happening in other countries

Employment rates (15-64) in Q4 2019 (yellow) and Q4 2023 (blue)



Source: OECD Stat. Created with Datawrapper

The costs of these failures are immense

Economic, fiscal and social consequences

- Focusing just on the fiscal impacts, had we maintained our position relative to others – as seventh highest employment in Europe – the public finances would be **at least £16 billion a year stronger**
- The economy would be **at least £25 billion a year bigger**
- The size of the prize is therefore also significant, even with modest improvements
- Reaching just 5% more people with employment support, and helping just 3% more to get into work or get on in work, would save the Exchequer at least £300m a year and boost growth by at least £750m a year

Why is this happening and what can we do?

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 groups) 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 representatives; colleges and training providers; careers services; social landlords; people working in health services; academics and researchers; international experts; and service users
- Polled the public and employers on their experiences and views on support
- Run nine design workshops to explore and develop potential solutions – with service users, policymakers and delivery organisations
- Held over a dozen roundtables and workshops to finalise proposals (engaging around 100 experts and stakeholders)
- Key outputs – launch report, summary of call for evidence, interim report, final report – all available at <https://www.employment-studies.co.uk/commission>

What's not working

Challenges across how we work with people, employers and partners

- **Supporting people**
 - Narrow focus of support; 'any job' mindset; punitive approach; lack of effective co-ordination with wider services
 - Disempowering jobseekers, discouraging people from accessing support, alienating partners and employers
- **Working with employers**
 - We don't, generally... 'Goods-led' approach; narrow offer; poor alignment with wider services; low engagement
- **Partnership working**
 - Little/ no infrastructure to support this; little or no autonomy for Jobcentre Plus; short-termism and siloed thinking makes things harder
 - Where things work better, it's often in spite of these constraints
- **Digital delivery**
 - Has the potential to transform services, but under-invested in this in the UK – and risks we need to manage too





From this:

'If [interviewing Officers] were told to cease bothering about "where were you last Tuesday" and to devote themselves to finding out what they could do to help the claimant in his quest for work, they would throw themselves into the work with real enthusiasm. They would, moreover, develop a real facility for guiding and helping.'

'Reflections on a Tour of Certain Employment Exchanges' by John Hilton, Assistant Secretary at the Ministry of Labour, 1929

A black and white photograph showing a man in a dark jacket and a flat cap looking down at a document on a desk. In the background, a queue of other men, also wearing flat caps, is waiting. The scene appears to be an office or a public service desk.

To this:

‘... the Employment Service is the single most important tool to ensure the proper functioning of the labour market and ... has a crucial role to play in revitalising the British economy.’

‘Manpower Policies in the UK’, OECD, 1970

Commission proposals

27 recommendations, but can be boiled down to four linked themes

Jobs and Careers Service

Open to all, enabling and networked

- Online – digital employment service
- On the high street – one-stop centres
- On the doorstep – thru wider services
- Single system for employers

Labour Market Partnerships

Empowered and accountable local partnerships: national and local govt, public services, social partners, employers

To develop local plans, join up across services, commission support, lead change

Ending the compliance culture

- Replace the 35 hour rule; reform approach for people in work or with limitations
- Clearer separation between benefits administration and employment support
- Reform/ replace Claimant Commitment

New framework for a reformed system

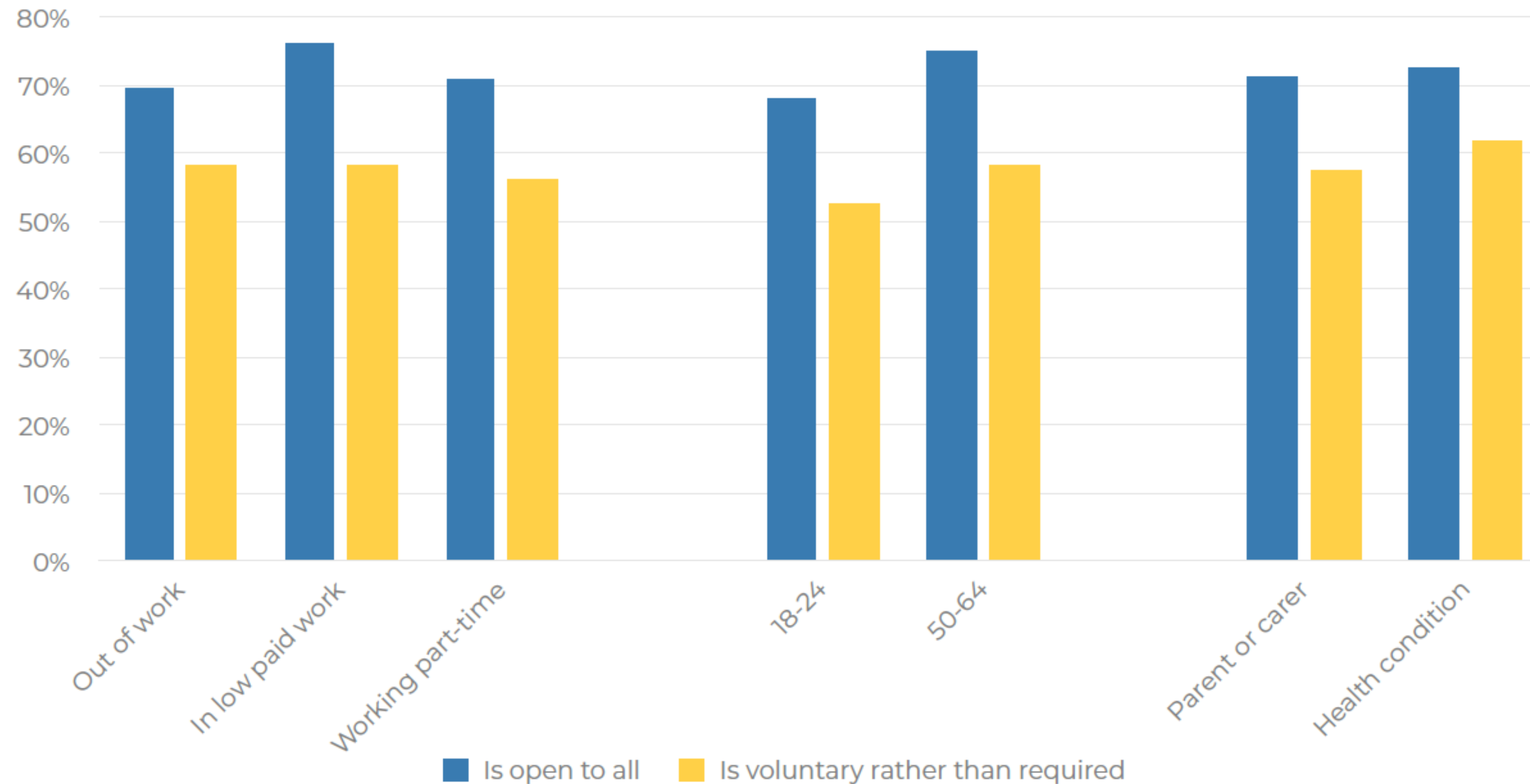
- Clear objectives: employment growth, tackling poverty and insecurity, reducing inequalities
- Underpinned by Guarantees of access to support, common standards across services
- New role for central govt – stewardship, partnership, evidence, impact

Full devolution to Scotland and Wales, on same basis as Northern Ireland

This will widen access to support

Older people, those with health conditions, in low paid work particularly likely to say they'd engage with support that is voluntary, open to all

Figure 5: Proportion of people reporting that they would be more likely to access employment support if it were open to all, or were on a voluntary basis rather than required

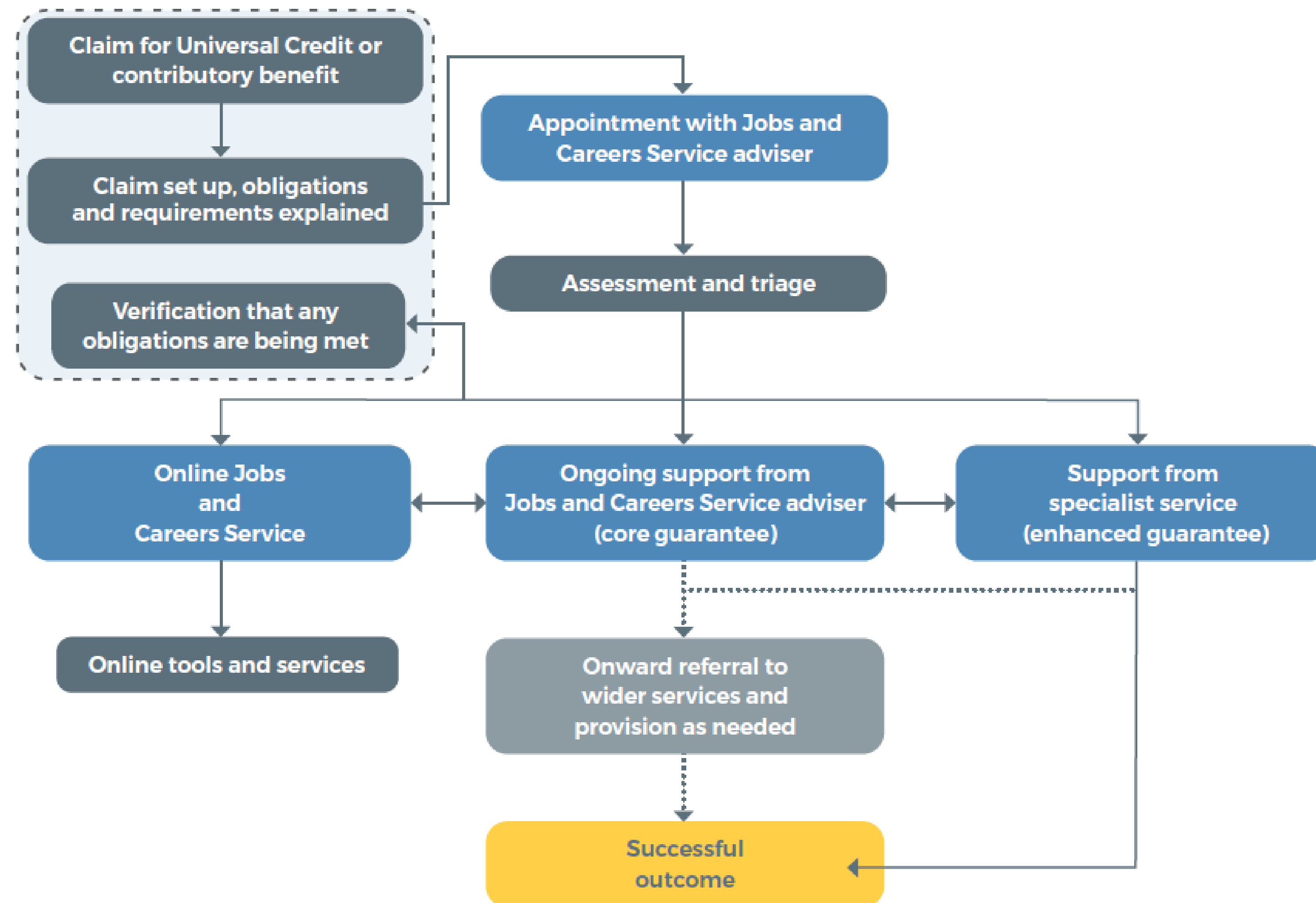


Source: YouGov Plc. Total sample size 2,083 adults. 'Out of work' excludes pensioners and full-time students. All totals exclude those who answered 'Not applicable'.

The Jobs and Careers Service in practice

Joined up with, but separate from, benefits administration

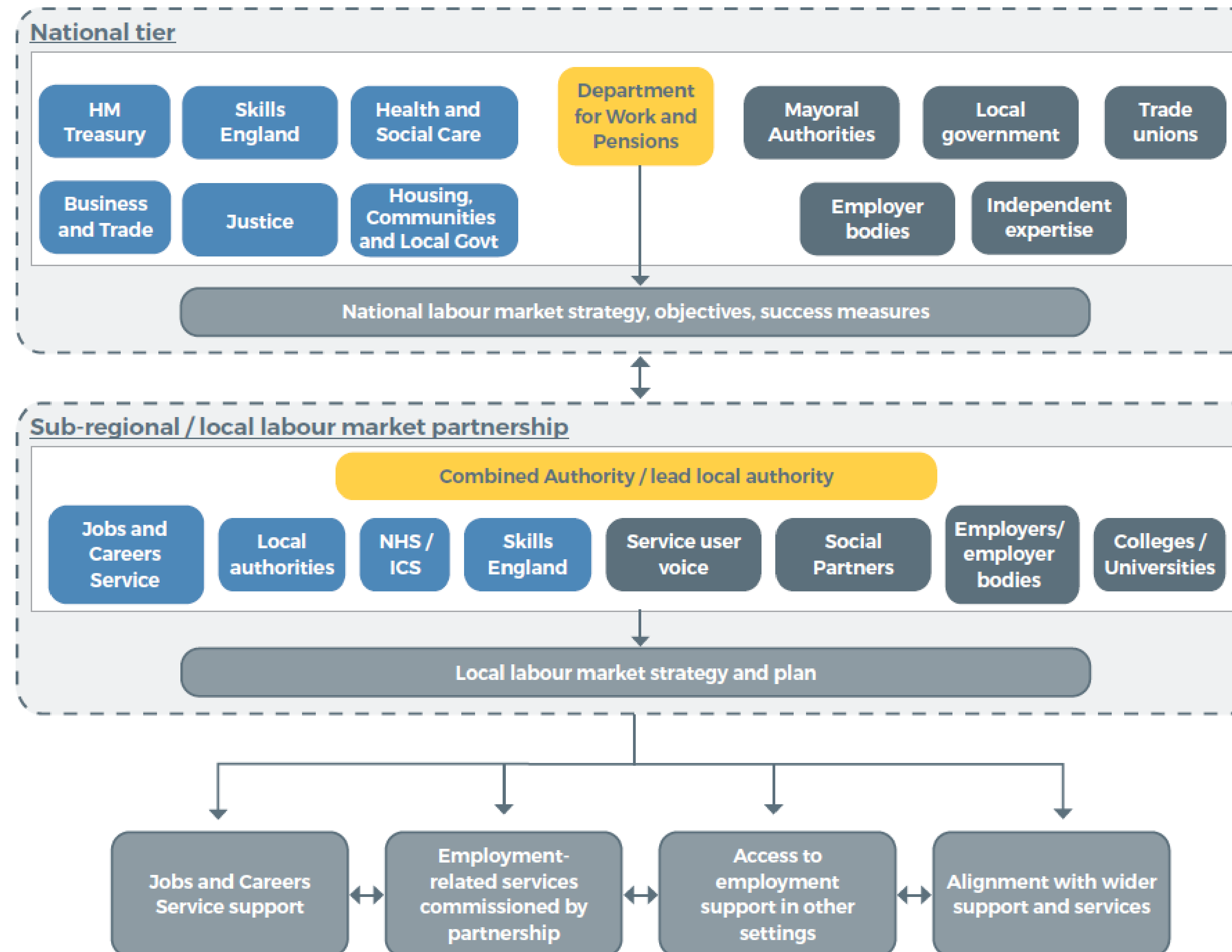
Figure 8: Illustrative user journey for an individual accessing the Jobs and Careers Service following a new claim for Universal Credit or significant change in circumstances



Labour Market partnerships

Whole system, with clear accountabilities and responsibilities

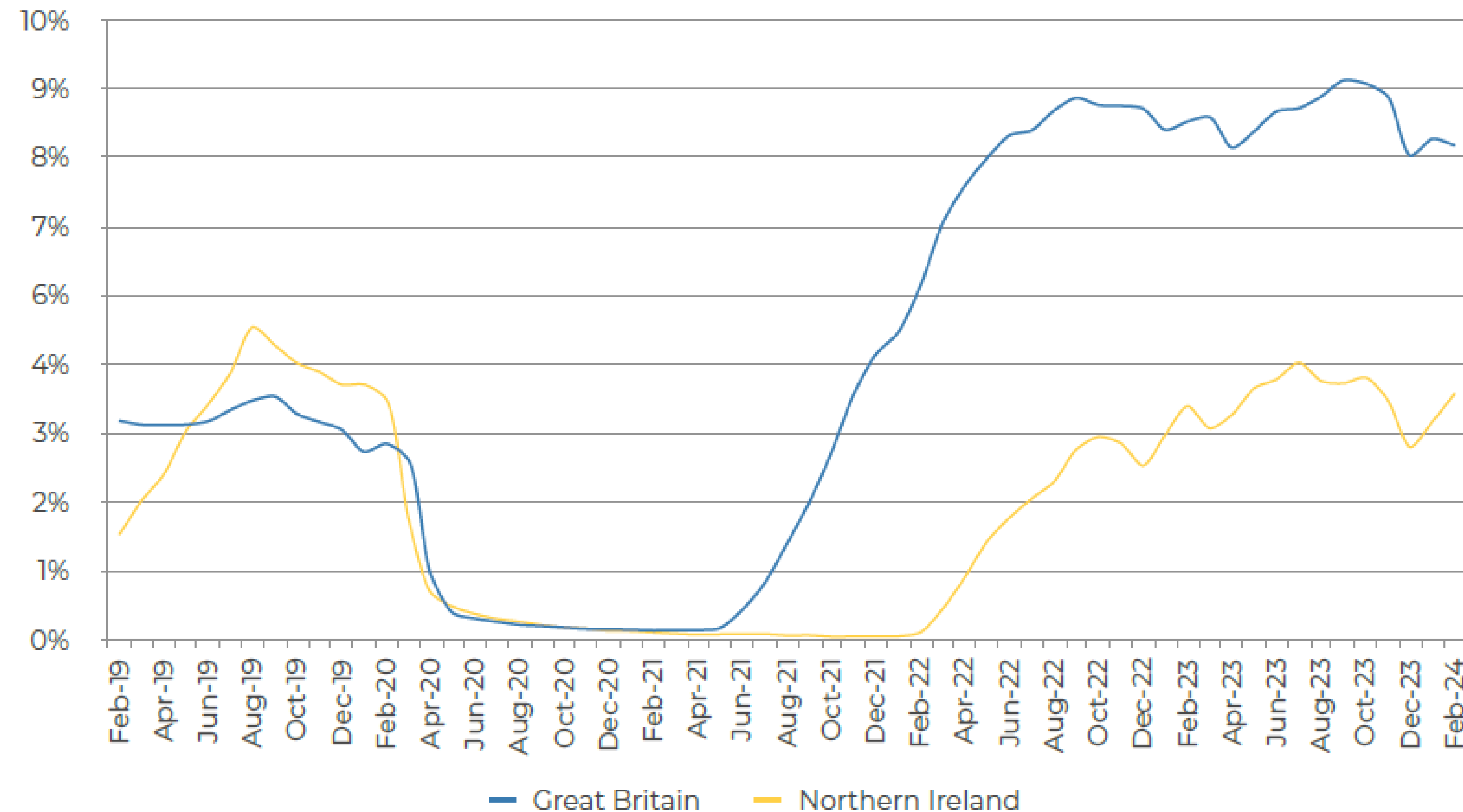
Figure 11: The design of national and local Labour Market Partnerships



On 'conditionality', how we work really matters **ies** institute for employment studies

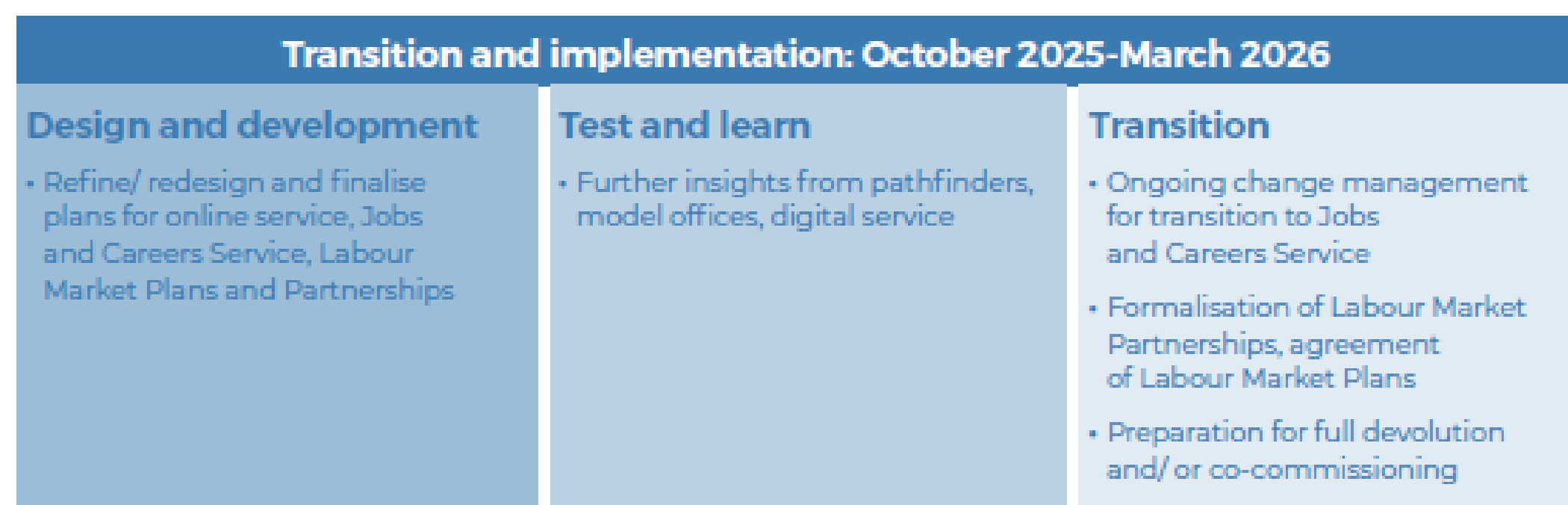
Northern Ireland has the same rules as GB, sanctions fewer than half as many jobseekers, and now has lowest claimant unemployment in the UK

Figure 13: Proportion of Universal Credit claimants in the 'Searching for Work' group whose claim has been sanctioned



Source: IES analysis of DWP and NI Department for Communities statistics

Roadmap to 2026





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