

PIW 04

Cynulliad Cenedlaethol Cymru Y Pwyllgor Cymunedau,

Cydraddoldeb a Llywodraeth Leol

Ymchwiliad i: Dlodï yng Nghymru Efen 4

Ymateb gan: Working Links



**National Assembly for Wales's Communities, Equality and Local Government Committee Inquiry**

**January 2015 – Strand 4: Community-based approaches to tackling poverty**

**Response from Working Links**

1. Working Links Wales is the largest single provider of employment related services in Wales and one of two prime providers of Work Programme in Wales. Working Links is a UK wide public-private-voluntary company with shareholders who endorse our social purpose and are interested in how Working Links can create long term value, investing in the quality of services and the communities where we operate.
2. Working Links has a strong track record in Wales, working with unemployed people since 2000. Ahead of the award of the Work Programme (WP) contract, Working Links invested £2 million into research and development based in part on 450,000 legacy customer records. Since 2000 we have helped nearly a quarter of a million people into work, 40,000 of whom are from Wales. Since Work Programme began in June 2011, we have expanded our base to meet the increased demand and we now have 15 Working Links offices across Wales as well as 20 partner premises that directly deliver Work Programme on our behalf such as Pembrokeshire College, Newport City Council, Torfaen Training, Remploy and Agoriad Cyf.
3. Other employment and training schemes we run in Wales are Work Choice (Disabled benefit claimants), Community Work Placements (claimants post Work Programme) and a Flexible Support Fund (FSF) Contract in South East Wales for claimants from day one of their benefit claim. We will also commenced delivery of an FSF programme in Swansea in January 2015 focussed on post WP support.
4. In October 2014, Working Links was also confirmed as the preferred bidders to run Transforming Rehabilitation in three locations: Wales; Bristol, Gloucestershire, Somerset and Wiltshire; and Dorset, Devon and Cornwall. This has propelled Working Links to becoming the largest Social Justice organisation in Wales and we anticipate working with 10,000 ex-offenders annually.

**The geographical consistency of anti-poverty initiatives**

5. For Working Links, geographical location is less significant than the tailoring of a service to meet individual need. All our customers are assessed for their barriers to employment. Such barriers might be: their geographical location in that transport links are poor; a lack of good employment opportunities; or a culture of high unemployment. Below are examples of the current performance in the most deprived wards in Wales.

6. Our Colwyn Bay office serves customers from the wards of Rhyl West 2, ranked 2<sup>nd</sup> in the NOMIS 2014 Multiple Deprivation Index in Wales and Rhyl West 1, ranked 10<sup>th</sup>. Our Merthyr Tydfil office serves customers from Merthyr Vale 2, ranked 8<sup>th</sup> and Penydarren 1, ranked 11<sup>th</sup> whilst Merthyr Borough finds 22% of all its local communities amongst the topmost disadvantaged in Wales. Each of the two offices takes about 4% of our Work Programme referrals. The Working Links Wales average for supporting referred customers into one or consecutive jobs that last at least 13 weeks (namely the job outcome rate or JOR) is 22% whereas both offices fall slightly short of this: Colwyn Bay at 18.7% JOR and Merthyr at 20% JOR. In both offices, our best results are with the 18-24 year olds, which is consistent with Wales as a whole.
7. The Young Person's subsidy that was available to Work Programme customers between June 2011 and August 2014 was an excellent incentive to smaller employers who would not have otherwise been in a position to recruit but other elements of effective practice include: close working relationships with the referring JobCentreplus; the importance of job-matching in areas where the labour market is not buoyant - in getting the fit between the candidate's skills and experience and the job profile closely matched; and in tailoring provision to carefully meet customer needs. In both offices, there has been motivational training tailored towards Younger People incorporating team-building events, outdoor activities and intensive employability support.
8. In Colwyn Bay and Merthyr, we are particularly successful with offenders newly released from prison, having helped 40% into work, and with a sustainability measure of 20% job outcome rate in Merthyr and 15% in Colwyn Bay as compared to 13.4% JOR in Working Links Wales. This can be attributed to expert advice and guidance from those experienced in working within prisons providing the right level of tailored support. In Colwyn Bay, there is additional drug and alcohol counselling provided by a partner organisation, Intuitive Recovery, and much is being done to support this particular customer group into self-employment.
9. In Merthyr, we have had some success with Employment Support Allowance customers with 10% JOR as compared to a national average of 8.85% JOR. We meet with customers individually to explain the individual components of their benefits and the rights and responsibilities that go with the receipt of such. This, accompanied by peer-support and daily group activities, has resulted in a positive change of attitude towards re-employment.
10. A Working Links-commissioned report by the Bevan Foundation, focused on the the local authority areas of Blaenau Gwent, Merthyr Tydfil, Caerphilly, Rhondda Cynon Taf, Torfaen, Bridgend and Neath Port Talbot. It highlighted the factors that contribute towards in-work poverty: 16% of the people in this area commute to work in Cardiff and the coast, which is both costly and time-consuming. Working Links would like to see a Welsh Government subsidy for a fixed period for those people who are starting a minimum-waged job and having to fund such a commute on public transport, in order to minimise the prevalence of in-work poverty and to make travel-

to-work more viable. The report states that 6% of Wales's employment was temporary in June 2011 – the highest rate of temporary employment in the UK -and particularly prevalent in lower-level occupations. In addition, more than one in ten employees in elementary occupations in the South Wales valleys is employed flexibly as is one in twelve in caring, leisure and other service occupations (43% of caring, leisure and other service jobs, 47% of elementary occupations and 53% of sales and customer service jobs are part-time). We have found that, providing we work quickly and intensively with customers as they leave one temporary job to get them a subsequent job, we can build a customer's level of employability in order to achieve sustainable employment.

11. Whereas employing temporary and/or agency workers, part-time contracts and zero-hours contracts is advantageous to employers because it offers flexibility to respond quickly to operational demand, it may not be so to the employees and, although in work, they may remain in poverty. Some studies (e.g. McCollum, 2011) show that temporary employees can become disenchanted with repeated spells of temporary work and unemployment. We have recently spoken to a number of Welsh employers regarding the implementation of zero-hours contracts, in order to highlight the difficulties they pose to individuals wishing to come off benefits. A typical example is a Working Links Caerphilly customer, John, who started work in a local care home on a 16 hour contract but was very unhappy and wanted to change jobs. Another local care home interviewed John and offered him a higher-level position but on a "zero hours" contract. He felt unable to take the risk and accept this promotion because he was dreading further unemployment and an inability to plan.
12. For some, temporary employment is accepted because there is no permanent job. BERR (2008) suggests that around 60% of agency workers took temporary employment because they were unable to find permanent employment. For Working Links, the key is to develop good relationships with both agency and job-seeker, to package short-term, temporary work as a stepping stone to more permanent work and to present it as recent work history for a candidate who may have previously had a long period of unemployment.
13. The Bevan Foundation highlight that the focus has been on worklessness and supporting people back into a job whereas the focus should be on job creation, stating "the uncomfortable truth in Wales is that there is a long-standing shortage of jobs in relation to the population...there's been virtually no change in total employment in Wales since the mid-2000s with the number of people of working age having grown by 58,000". In our Carmarthen office, the JOR has increased tenfold in the last 2 years which can be attributed largely to a period of regeneration and the availability of a large number of retail opportunities in a predominantly rural area.
14. There is conclusive evidence that providing support and incentive payments to individuals for at least two years after taking up employment significantly improves individuals' employment and earnings, with those who are typically hardest to place in employment benefiting the most. The negative impact of flexible employment on individuals could be ameliorated if they have appropriate coping skills and access to resources including benefits advice, budgeting and developing a cash reserve.

## **The effectiveness of area-based anti-poverty programmes such as Communities First**

15. In the past 16 years, the proportion of people in Wales living on a household income of less than 60% of the median has decreased by just 4 percentage points to 19% before housing costs (BHC) and 23% after housing costs (AHC) according to DWP's 2014 report on "Households Below Average Income 1994/95- 2012/13. This compares to 20% BHC and 20% AHC in Northern Ireland; 15% BHC and 18% AHC in Scotland; and 15% BHC and 21% AHC in England.
16. The Bevan Foundation argue that the existing measure of 60% median is not sufficiently sophisticated to enable policy-makers to correctly target initiatives to those in need and cite The Joseph Rowntree Foundation's definition is more useful : "When a person's resources are not sufficient to meet their minimum needs, including social participation."
17. We also note an additional funding gap for those that are in-work and are defined as living in poverty. Significant pre-employment funding is available, but less for up-skilling and career-progression. We would be keen to see additional employment programmes for the increasing numbers of people who are living in poverty despite being employed.
18. Working Links would agree with independent researchers that highlight the ability to manage a budget and take informed financial decisions makes the individual more resilient to life events that can trigger debt and less likely to get into financial difficulty. In our Rhyl office, we involve the whole family in the process of finding the main benefit-claimant work. This can be helpful where a spouse manages the household budget or there is misinformation about in-work benefits. Working Links provides additional funding to the Citizen's Advice Bureau (CAB) to provide our customers with a dedicated pan-Wales telephone helpline. In the first quarter of 2014, almost 400 customers accessed the service for advice on benefit eligibility, in-work benefits and debt management. We have provided additional funding to the CAB as they were unable to provide the fast track service our customers require in order to make a quick decision as to whether they can accept a job offer or not.
19. We have worked jointly with Communities First, especially now that they have an increased focus on preparing their residents for work, many of whom are also Work Programme customers and there are examples of joint-working and good practice across most of our offices in Wales: numeracy and literacy classes and work-related training such as the site safety certificate, food hygiene and first aid in Bridgend and Blaenau Gwent; sector-specific training in Caerphilly including a care course to prepare people to work as carers in both council and private residential homes and call-centre training with a specific employer in mind. In RCT, the Communities First organisation refused to work with some people as they did not live in a designated ward, which has been problematic.

20. For many of the public sector schemes such as Communities First we see a lack of strategic joint-planning. For example, we have only been approached in some instances when the CF organisation is unable to fill the course that is already arranged or CF have trained people with specific vacancies in mind, only to find that the deadline for such vacancies have already passed. There is clearly good practice in skills development, social inclusion, promotion of voluntary work as a stepping-stone to employment and a more joined up approach between DWP and Welsh funded programmes would be welcomed by providers and those that are unemployed

**Progress on the recommendations of the Assembly's former Rural Development Committee's 2008 report "Poverty and deprivation in rural Wales."**

21. In response to recommendation 4, recognising the importance of CAB in the take-up of benefits, Working Links would concur that the CAB perform a vital role in this respect. Unfortunately, they are under-resourced, with a limited service or no service at all in some of the most disadvantaged areas. In response, we have commissioned and funded a service, available to all customers across Wales, in the form of a priority telephone help-line so customers get direct access to an experienced CAB advisor. Our statistics show that the majority of the requests are related to benefits.

22. In response to recommendations 5, 6 and 7 the transport issues faced by our customers, particularly in the south Wales valleys and rural part of Wales, cite that transport is a major barrier in finding work. In many cases, where there is the infrastructure to support efficient travel, the times of buses and trains do not coincide with the shift patterns of local employers. For example, trying to commute from Caerphilly or anywhere further north to Cardiff on a Sunday morning is virtually impossible which rules out most retail and hospitality jobs. Similarly, travel across the valleys is difficult and most buses do not serve outlying industrial estates or meet factory shifts start and finish times. Wherever possible and appropriate, we have supported with bicycles and mopeds as the running of a car is not always economically sustainable. In the past, we have operated a "Wheels to Work" subsidised car-hire scheme with some success for those newly employed, and would be interested in piloting a car-pool scheme in partnership with employers

23. In response to recommendations 8 and 9, regarding affordable housing, Working Links have developed expertise in procurement and the promotion of social procurement clauses into contracts to maximise the investment of local jobs for local people. This work has included many Social Housing Providers to maximise the investment of Welsh Housing Quality Standard, such as Powys County Borough Council and other infrastructure projects such as the A465 Heads of the Valleys Dualling Project.

24. Working Links currently support the CITB Skills Academy that is linked to the contracts on the 21<sup>st</sup> Century Schools build and the South East Wales Highways framework. This has meant that we are able to use this investment to create jobs for local people, for example on the Penarth Learning Campus development we secured 60 job opportunities via the main contractor and supply chain.

25. In response to recommendation 18, Working Links would be keen to be involved in any initiatives that promote sharing and good practice in rural areas. We currently operate in all of the defined rural areas; Anglesey, Gwynedd, Conwy, Denbighshire, Powys, Ceredigion, Pembrokeshire, Carmarthenshire and Monmouthshire, where accessibility in terms of transport and infrastructure is very challenging. Delivering pre-employment support to small groups of customers, sometimes to less than 10, in outreach premises is one solution where it is simply too difficult for people to get to hub offices and even more difficult to get to work.

### **Further reflections on Anti-Poverty & other funding streams in Wales**

26. Working Links are working with Welsh Government on the Joint Employment Delivery Board to ensure better alignment of Work Programme with Welsh Government employment and skills initiatives. The current position is that whilst people eligible for Work Programme can access skills training once they are in employment, they are ineligible for ESF funded employment and skills support pre-employment.

27. At the end of April the then Deputy Minister for Skills, Ken Skates, made an important and welcome statement to the National Assembly on arrangement to better align employment and skills services to support jobseekers in Wales. In doing so he addressed the core split of responsibilities, looking to ensure that Welsh Government “join up our devolved responsibilities with those that remain at a national Government level.” This statement was important because it set out that the Welsh Government and DWP are now working together to examine a way forward on this issue. They are both looking to simplify access to respective employment and skills programmes and make them work together better.

28. We believe that the recently announced new round of European Structural Funds presents an excellent opportunity for services to be better aligned to support value added activity to the core Work Programme provision, thereby offering more opportunities to assist Welsh people out of poverty.