

# Learning from the Past:

Tackling worklessness and the social impacts of recession

## MINISTERIAL FOREWORD

Recession can cast a long shadow. It took almost twenty years after the 1980s recession before the country was back to pre-recession levels of employment and in the 1990s it took almost six years. This Government has been determined to learn the lessons of the past and acted swiftly to respond to the corrosive social impacts of this recession.

Over the last decade a radical programme of welfare reform and a sustained period of economic growth delivered continual increases in employment levels and reductions in inactivity and unemployment. By 2007, the UK employment rate had reached a 30 year high, with the second highest employment rate in the G7. What is all the more remarkable, is that at the same time as improving overall employment rates, intensive area-based programmes helped to narrow the gap between the most deprived areas of the country and the rest.

The global financial crisis of 2008 and the recession that followed have been far reaching in their impacts. All sections of society have been touched and no

area of the country has been immune to its effects. The Government has responded robustly and there has been a sharp focus on meeting the needs of the young, the low skilled and the poorest areas of the country that we know are most vulnerable to the economic and social impacts of recession.

In the face of a global recession, the Government acted decisively to support business, protect jobs and stimulate recovery. The *Real Help Now* programme included measures to protect people's savings and prevent the collapse of the banking sector, £20 billion to stimulate the economy, a mortgage support and protection programme and additional support to help people find work, including a work guarantee for young people.

This action is bearing fruits. Signs are positive of a return to growth and despite the depth of recession, labour market impacts have been far less severe than we would have expected based on the experience of the 80s and 90s.

Analysis by the Social Exclusion Task Force highlights the negative social impacts that have followed previous recessions. This time around, the Government has introduced a bold package of measures to tackle head-on the 'social wave' of recession, including:

- £263 million investment in the Social Fund to support households that are hardest hit
- £15.5 million in the Targeted Support Fund to support third sector organisations in the areas most affected by the recession
- Extra funding to increase the capacity of the National Debtline (£5.85 million) and Citizens Advice Bureaux (£10 million)
- Roll out of the £173 million Improving Access to Psychological Therapies programme
- £13 million to make support available to people experiencing distress as a result of recession, including the new NHS Stressline

- £3 million to boost provision of relationship and family counselling services to assist those affected by the recession

However, this is no time for complacency. The Government's new White Paper *Building Britain's Recovery: Achieving Full Employment (2009)* sets out a bold vision for the future. The paper reaffirms our goal of getting eight out of every 10 people of working age into employment. It sets out new guarantees for young people and additional support for older workers and professionals. It introduces new reforms to give clear financial incentives to support those moving into work, and introduces changes to modernise and personalise Jobcentre Plus. In addition, last month the Government committed an additional £40 million for the 61 Working Neighbourhood Fund areas, recognising that job loss has been greatest in the most deprived areas.

This paper and the more detailed evidence report that accompanies it support the vision and aims in the White Paper. The report sets out the lessons to be learnt from previous recessions and highlights existing good practice and practical steps that all local areas can take in responding to worklessness and the social impacts of recession.



A handwritten signature in black ink that reads "Angela Smith".

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**for Cabinet Office**



A handwritten signature in black ink that reads "Jim Knight".

**Jim Knight**  
**Minister of State**  
**for Employment**



A handwritten signature in black ink that reads "Rosie Winterton".

**Rosie Winterton**  
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**Government**

## LEARNING FROM THE PAST: THE SOCIAL IMPACTS OF RECESSION

New analysis by the Social Exclusion Task Force (2009)<sup>1</sup> examines the social impacts of previous recessions and brings together emerging intelligence on the social consequences of the current downturn. This paper will be of interest to local strategic partners and frontline workers in Jobcentre Plus offices, local authorities, skills providers, housing providers, Primary Care Trusts (PCTs) and third sector organisations.

As the effects of the recession filter through to the labour market, many local areas have seen significant new demand for social support services. The Government has acted swiftly to respond to these pressures through the *Real Help Now* programme. And local innovation and action have played critical roles in ensuring a robust response, tailored to the local context. Tackling the social impacts of the recession is important not only in meeting immediate needs, but

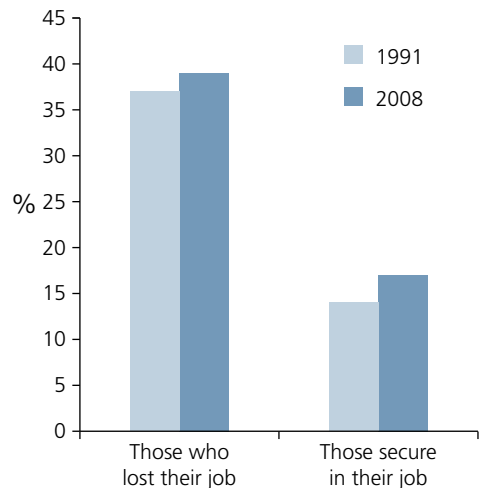
also – and perhaps more crucially – in preventing the downward spiral into long-term worklessness that we have seen in the past.

### Social Impacts of Recession – Key Facts

- People who lose their job are around **three times** more likely to experience a common mental health problem than those who remain employed.<sup>2</sup>

#### Job loss negatively affects mental health

% who experience a common mental health problem (depression and anxiety), 1991 and 2008



<sup>1</sup> Social Exclusion Task Force (2009) *Learning from the past: Working together to tackle the social consequences of the recession – evidence pack*, Cabinet Office, London.

<sup>2</sup> NatCen (2009) *Social exclusion and the recession*. Commissioned analysis of the British Household Panel Survey, Cabinet Office.

- **31% of local authorities** reported an increase in demand for mental health services in their area. An additional 51% were anticipating an increase.<sup>3</sup>
- Around **25% of families** in Britain report more family arguments due to money problems caused by the recession. 15% of couples are worried that their partner may lose his or her job, and 6% are concerned that money worries will cause them to break up with their partner.<sup>4</sup>
- Unemployment increases the odds of marital dissolution by 70% after job loss<sup>5</sup> and men and women who lose their jobs are **33% and 83%** more likely to experience relationship breakdown than those who stay in their jobs.<sup>6</sup>
- Data from the 90s recession shows that individuals who lose their job are around **four times** more likely to report that they find it quite or very difficult to get by financially compared to those who remain in employment.<sup>7</sup>
- They are also more likely to experience **long-term financial difficulties**; around 40% reported financial difficulties for between one to two years, while 24% reported financial difficulties for three to six years.<sup>8</sup>
- In the three months to June 2009, Citizens Advice Bureaux were dealing with **9,300 new debt enquiries each day**, a rise of 27% from the previous year.<sup>9</sup>

<sup>3</sup> Audit Commission (2009). *When it comes to the crunch...How councils are responding to the recession*. August 2009.

<sup>4</sup> Relate (May 2009) Recession Survey Results.

<sup>5</sup> Lampard, R. (1994). 'An examination of the relationship between marital dissolution and unemployment'. In Gallie, D., March, C. and Vogler, C. (Eds.): *Social change and the experience of unemployment*: pp 264-298, Oxford: Oxford University Press.

<sup>6</sup> Blekesaune, M. (2008). *Unemployment and partnership dissolution*. Working Paper Series. Institute for Social and Economic Research.

<sup>7</sup> NatCen (2009) *Social exclusion and the recession*. Commissioned analysis of the British Household Panel Survey, Cabinet Office.

<sup>8</sup> *ibid.*

<sup>9</sup> Directgov, [http://www.direct.gov.uk/en/NI1/Newsroom/DG\\_180309?cid=rss](http://www.direct.gov.uk/en/NI1/Newsroom/DG_180309?cid=rss).

- International evidence shows men and women who lost their jobs due to the closure of their work establishment had a **22% and 44%** increased risk of alcohol-related hospitalisation over a subsequent 12 year period.<sup>10</sup>
- Between 1991 and 1996, households that experienced job loss were around **three times** more likely to experience eviction from their accommodation than households who remained in employment; there is currently no evidence of increases in this recession.<sup>11</sup>

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<sup>10</sup> Eliason, M. & Storrie, D. (2009). 'Job loss is bad for your health – Swedish evidence on cause-specific hospitalisation following involuntary job loss.' *Social Science and Medicine*, 68: pp1396-1406.

<sup>11</sup> Communities and Local Government, Live tables on homelessness, accessed October 2009.

## TACKLING WORKLESSNESS AND THE SOCIAL CONSEQUENCES OF RECESSION

Addressing worklessness and the social impacts of recession in local areas demands no small measure of creativity, resourcefulness and determination. Our fieldwork suggests there is much to be learned from some of the most innovative areas of the country about how to move forward and overcome these linked challenges. We have highlighted three key reasons to be optimistic about the prospects for further progress:

### **1. The vision of 'Total Place'**

During the recession we have seen inspiring examples of local partnership

working in many parts of the country. Fiscal constraints have brought into sharp focus the need for ever greater efficiency and innovation in the way we deliver public services.<sup>12</sup> Few can fail to have heard about the 13 pioneering local areas testing out the new Total Place approach to public service delivery. Total Place is founded on the premise that wherever possible it is better to move decision making closer to the frontline and bring agencies together locally to develop cost-effective solutions focused on a shared goal. So what might a 'Total Place' approach to worklessness and the social impacts of recession look like?

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<sup>12</sup> HM Government (2009) *Putting the frontline first: smarter government*, London.



A 'Total Place' approach to worklessness and the social impacts of recession	
<b>Aims</b>	<ul style="list-style-type: none"> <li>• <b>Tackling worklessness</b> in the most deprived areas</li> <li>• <b>Preventing a legacy</b> of long-term unemployment and social exclusion as a result of the recession</li> </ul>
<b>Principles</b>	<ul style="list-style-type: none"> <li>• <b>Localism</b> – focussing on local needs and local priorities</li> <li>• <b>Whole area</b> – integrating strategy and integrating delivery</li> <li>• <b>Efficiency</b> – delivering more for less</li> <li>• <b>Personalisation</b> – flexible services designed around individual and family needs</li> </ul>
<b>Integrated Local Strategy</b>	<ul style="list-style-type: none"> <li>• Local <b>worklessness assessments</b> can be used to explicitly identify and address social barriers to employment (such as mental health, family and relationship breakdown and debt)</li> <li>• <b>Maps of local public spending</b> across different local agencies can be used to identify potential efficiencies through increased partnership working</li> <li>• <b>Greater collaboration</b> – not only between Jobcentre Plus, employers and skills providers, but also with registered social landlords (RSLs), Primary Care Trusts (PCTs), third sector organisations and local authorities – can be used to pool the collective talents of all partners, enabling the development of genuinely personalised service offers across agencies</li> <li>• <b>Work and Skills Plans</b>, agreed by local partners, can be used to set out integrated local responses with clear accountability. Central government is committed to helping local areas strip away barriers to greater collaboration and supporting the National Worklessness Learning Forum to encourage a culture of shared learning between areas</li> </ul>

## Integrated Local Delivery

***Building Britain's Recovery: Achieving Full Employment (2009)*** sets out new commitments to support integration at the frontline:

### Engagement and access to services

- Additional funds to expand Jobcentre Plus outreach capacity – in some of the most deprived parts of the country
- Use of Jobcentre Plus Rapid Response Service for the newly unemployed and personal adviser support through Jobcentre Plus to provide information on, and signposting to, social support services.

### Personalisation

- Testing greater flexibility for Jobcentre Plus advisers, underpinned by workforce reform and training
- Examining how profiling technologies can be used alongside professional judgement to better identify needs
- Employment as a core outcome in all Family Intervention Projects (for the 50,000 most complex families)

Of course, we must be cautious of treating Total Place as a magic bullet, but these are certainly ideas which warrant further consideration.

As part of the Government's response to the Houghton Review (2009)<sup>13</sup> county and unitary local authorities now have

a statutory duty to assess the economic conditions in their area. Draft statutory guidance encourages local authorities to undertake worklessness assessments as part of their wider assessments. We are also encouraging and supporting them to develop integrated local work and skills plans.

<sup>13</sup> Communities and Local Government (2009) *Stepping up to the challenge: The Government's response to the Tackling Worklessness Review*. Communities and Local Government, London.

These plans will provide a framework through which local partnerships can better brigade their resources and efforts locally to ensure they are aligned with resources directed at the regional and national levels. Plans will provide an improved mechanism for informing and influencing national policy development through the exchange of local experience and expertise.

In the spirit of a genuine 'whole area' approach, local leaders will need to reach out beyond the core employment and skills partners and actively involve the third sector, PCTs, housing providers and others who hold the key to addressing the social barriers to employment and the social impacts of recession. Resourceful areas might also use joint planning and resource mapping to identify synergies in service delivery and potential efficiencies through better alignment of resources.

**A checklist (at the end of this document) has been developed to assist local areas in planning an integrated strategy and delivery framework.**

All areas can draw inspiration from the Total Place approach. And an additional £40 million injection of resource from the Government has recently been allocated across the 61 Working Neighbourhoods Fund<sup>14</sup> areas which can be used to drive intensified local collaboration.

Central government must be ready to support a true 'local response' by stripping away the barriers that might impede effective collaboration. The vision set out in *Putting the frontline first: smarter government (2009)*<sup>15</sup> demonstrates the Government's commitment to devolving responsibilities to local areas, which should seize this opportunity and let central government know what specific actions it could take to support them.

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<sup>14</sup> A dedicated fund for local areas to develop more concentrated approaches to getting people in the most deprived areas of England back to work.

<sup>15</sup> HM Government (2009) *Putting the frontline first: smarter government*, London.

## 2. Innovation in outreach and access to wider services

Engaging the most persistent workless requires a direct and active approach. A number of innovative models of outreach and engagement have been introduced in different areas of the country such as the Jobcentre Plus Community Outreach Programme and Jobcentre Plus advisers working in Children's Centres. The Government wants to ensure that these assertive models of good practice are developed and replicated in all of the areas most affected by worklessness and the recession. *Building Britain's Recovery: Achieving Full Employment* (2009) announced additional funds to support the expansion of community outreach models.

### Greenwich outreach: action on worklessness

Jobcentre Plus is working with partners to develop a work-focused outreach service, based in some of the most deprived neighbourhoods in the London Borough of Greenwich. In2Work Woolwich operates in two disadvantaged wards where there is a high proportion of residents who face multiple barriers to work. A small team of advisers works alongside the local authority, housing providers, other government agencies and the third sector to deliver a holistic, personalised service focused on tackling worklessness.

Given that the Borough is the major social landlord, significant work has been done to engage with residents' associations and local authority tenancy officers who are helping to promote the service. This is delivered from community centres on the estates, as well as the Greenwich Islamic Centre and Belmarsh Prison.

Many newly unemployed people are daunted by the prospect of seeking out the help that could get them back on track. For most people, support from Jobcentre Plus need only be light touch, focussing on facilitating and de-stigmatising the job search process, while others would benefit from signposting and referral to relevant local advice services where necessary.

*Building Britain's Recovery: Achieving Full Employment* (2009) ensures that innovative services such as the Jobcentre Plus Rapid Response Service for the newly unemployed and personal adviser support through Jobcentre Plus provide information on, and signposting to local social support services. It also ensures that frontline professionals are equipped with information on local support services which they can refer clients on to.

### **Sunderland: outreach service**

Sunderland City Council in collaboration with partners have run a number of successful job fairs and outreach services. Their rapid response service was brought into action when large scale redundancies were announced at the Nissan factory; this brought together the Council, Jobcentre Plus, Confederation of British Industry, Learning and Skills Council, Business and Enterprise North East and the regional Chamber of Commerce.

The Council also has a job linkage service which works to tackle worklessness by removing the barriers that may prevent individuals getting into local education, training and employment. The service is located in shopping centres and community centres to facilitate engagement with local residents.

### 3. Personalisation: the vision for Jobcentre Plus

*Building Britain's Recovery: Achieving Full Employment* (2009) sets out the Government's vision for a more personalised Jobcentre Plus. A small number of people who lose their job are at risk of long-term unemployment. Personalised support is critical to identifying and overcoming the specific barriers these people and their families face and to enhancing their capabilities and readiness for work.

The transformation towards personalisation is a crucial step forward and will be underpinned by a programme to develop adviser capability and skills – this will include the use of motivational interviewing and learning modules on the social barriers to employment and on working with other agencies. Our vision is for flexibility to be at the core of the future system. Pilots running from April 2010 will give four Jobcentre Plus districts many of the kinds of freedoms

given to private and voluntary sector partners. In the pilot areas, funding and support will be wrapped around the individual to address complex barriers and help customers to secure stable employment.

The move to a more tailored and personalised service will require a holistic assessment of client needs. The Government is committed to testing new client profiling systems (such as those used in Australia) which could be a useful tool in complementing adviser judgement in identifying early those people most likely to benefit from intensive and personalised support.

### **Australian Job Seeker Classification Instrument (JSCI)**

The new Job Seeker Classification Instrument (updated 2009) aims to identify risk factors for prolonged unemployment with a view to fast-tracking individuals to more intensive job seeker's support. The tool currently uses 49 questions covering 18 characteristics (e.g. employment history, distance from labour market, qualifications etc) to tailor services according to need, rather than duration of unemployment. This helps to use financial and human resources more effectively by targeting support at those who are most in need and at risk of long-term worklessness.<sup>16</sup>

whole family approaches such as Family Intervention Projects will be necessary.

These approaches weave together packages of support from multiple agencies and are coordinated by assertive key workers who can work with the family intensively to address their barriers to employment and build their readiness for work. The Prime Minister has recently announced the expansion of Family Intervention Projects to reach the 50,000 most complex families – and employment will be made a core outcome for all of these projects across the country.

For clients who have additional needs, there should be flexibility to supplement core services provided by Jobcentre Plus and employment and skills providers with other provision such as childcare, relationship counselling and debt advice. In the most complex cases, intensive

<sup>16</sup> Australian Government (2009) *Review of the Job Seeker Classification Instrument*, Department of Education, Employment and Workplace Relations.

### Family Intervention Projects (FIP)

Mary is a single mother of three teenage children – John, Rob and Sally. Mary was increasingly struggling with the behaviour of John and Rob; John was not attending school and Rob was working part-time in a low skilled job. They were causing significant disruption to neighbours, so much so that they were given an eviction order. The strain of having to cope with her sons' behaviour and the risk of losing their home meant Mary felt unable to seek employment.

A key worker from the FIP engaged with them to address the children's behavioural problems by bringing in a number of different agencies to assist. John was given an alternative educational placement which better suited his learning needs and Rob was put on to an apprenticeship scheme. Mary was offered parenting sessions which gave her confidence to deal with her children's behaviour more effectively. Her key worker also arranged some voluntary work as a stepping stone to employment. This helped Mary build up her skill set and self-esteem. She started attending her local Jobcentre Plus and within a couple months successfully found a job.

Learning the lessons from previous recessions has been vital to putting in place a robust strategy to tackle worklessness and the social impacts of this downturn. The biggest successes in tackling worklessness and the social impacts of recession have happened where national action and intensive local action have been brought together. The new White Papers on *Putting the frontline first: smarter government*

(2009) and *Building Britain's Recovery: Achieving Full Employment* (2009) set a clear vision and direction for the future. Achieving their bold ambitions will depend on strong partnerships between national and local partners and – most crucially – on the remarkable energy, creativity and determination of local leaders and those delivering services at the frontline.



## CHECKLIST

### What can you do in your area?

This checklist is designed to support local partners in working together to tackle long-term unemployment and the social impacts of this recession. This will be of interest to local strategic leaders, commissioners, and service providers. The contents of this checklist are based on our field visits and discussions with local authorities, Jobcentre Plus and third sector organisations and are designed to complement recommendations from the Houghton Review.

Key elements to this checklist are:

- **Integrated local strategy**

Considering how best to use resources through assessing demand and mapping the availability of local service provision, as well as spending, across agencies to flag up and highlight opportunities for enhanced collaboration.

- **Integrated local delivery**

Considering how frontline providers can best engage those at risk and deliver more responsive and personalised services.

<b>1. Integrated local strategy</b>	
<input type="checkbox"/>	Use joint worklessness assessments to identify demand for services which address the social and family-based barriers to employment
<input type="checkbox"/>	Map provision and effectiveness of relevant services in your area
<input type="checkbox"/>	Map local public spending across different local agencies. This can help to highlight potential efficiencies through increased collaboration
<input type="checkbox"/>	<p>Get the partnership right: fully engage and involve all local partners who can help to engage the target population and address the social and family-based barriers to employment:</p> <ul style="list-style-type: none"> <li>• Third Sector (e.g. Citizens Advice Bureau, relationship and parenting support)</li> <li>• Primary Care Trusts (e.g. mental health)</li> <li>• Housing providers (e.g. registered social landlords)</li> <li>• Community police</li> <li>• Jobcentre Plus offices</li> <li>• Children's Services (e.g. Children's Centres)</li> <li>• Learning and skills providers</li> <li>• Businesses and local employers</li> <li>• Service users (e.g. job seekers)</li> </ul> <p>Use what you already have – e.g. the Local Strategic Partnership. There might also be a need for sub-regional partnerships to address issues arising in labour markets that cross local authority boundaries</p>
<input type="checkbox"/>	Use worklessness assessments and work and skills plans to set out an integrated vision and response to worklessness and the social impacts of the recession, with clear accountability and outcomes. This should be shared and have buy-in from strategic leaders, commissioners, and service providers
<input type="checkbox"/>	Examine how wider collaboration with other areas, through for example the National Worklessness Learning Forum, might contribute to further learning and innovation

<b>2. Integrated local delivery</b>	
<input type="checkbox"/>	Consider how to best target workless hotspots through community outreach capacity – for example Family Intervention Projects (FIPs) and Children’s Centres
<input type="checkbox"/>	Consider how best Jobcentre Plus and local partners can work together to address the social problems faced by the newly unemployed – for example through: <ul style="list-style-type: none"> <li>• Involving Citizens Advice Bureau, PCTs/mental health teams and social housing providers in Rapid Response Services</li> <li>• Using Jobcentre Plus Group Sessions to provide information on and signposting to social support services (e.g. mental health services, debt advice services and relationship support)</li> </ul>
<input type="checkbox"/>	Consider how the frontline staff in Jobcentre Plus can best refer on to local social support services when problems are identified (e.g. Improving Access to Psychological Therapies (IAPT) programme, NHS Stressline, housing support and relationship and parenting support)
<input type="checkbox"/>	Consider how local agencies can be involved in joint training with Jobcentre Plus advisers; this might include sharing knowledge on the social and family-based barriers to work and effective solutions

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