



HM Government

# PLAN FOR JOBS

# PROGRESS UPDATE

**The pandemic has hit hard, causing the biggest fall in annual output in the UK for 300 years. In the face of this crisis, the government provided an unprecedented package of support to shield businesses and jobs.**

- Over £350 billion of support has been provided by the government to protect jobs and businesses through cash grants, loans, tax deferrals and tax cuts.
- This includes £68.5 billion on the Coronavirus Job Retention Scheme (CJRS) alone that has protected 11.6 million jobs since its inception, equivalent to over a third of the entire workforce. Over £27 billion has been spent on the self-employed through five Self-Employed Income Support Scheme (SEISS) grants, supporting nearly three million self-employed individuals throughout the pandemic.

**In July 2020, the government launched the Plan for Jobs – a comprehensive and ambitious plan to help people back into work and develop the skills they need to thrive as the UK emerges from the pandemic. The government is making a deliberate choice to invest significant funds in our Plan for Jobs – work is the best route out of poverty, it gives families financial security, and it provides opportunity to grow and develop.**

- Kickstart will create hundreds of thousands of jobs for young people at risk of long-term unemployment – so far over 63,000 young people have started a Kickstart job.
- In just eight months, the number of work coaches has doubled to 27,000.
- More than 85,000 apprentices have been newly hired under our new incentive payments, of which 75 per cent were under 25-years-old.

**Our plan is working. Unemployment has fallen for six consecutive months, with the peak now forecast to be two million less than previously feared. The unemployment rate is lower than the US, Canada, France, Italy, Spain and Australia. GDP is also recovering and the IMF forecasts the UK to have the highest growth rate among the G7 economies this year.**

**Thanks to the success of the vaccine rollout, the economy has been safely re-opening and people have been rapidly coming off furlough; from a peak of almost 9 million last year, to 1.6 million at the end of July. Similarly, in recent months the number of people claiming SEISS grants has dramatically fallen.**

**And the government is not stopping there as the UK builds back better from the pandemic. By supporting businesses to thrive and grow, and by delivering the skills that business and the economy needs, this government will create better, more productive jobs across the UK.**

## CONTEXT

**The COVID-19 pandemic is the biggest threat the UK has faced in decades. The virus has caused tens of thousands of deaths, has affected the lives of everyone in the UK and has had a devastating effect on business. As the pandemic hit, the UK entered its first recession in 11 years. Gross Domestic Product (GDP) for 2020 as a whole fell by 9.8%,<sup>1</sup> the largest annual fall in 300 years<sup>2</sup>.**

- In July 2020, the OBR predicted that unemployment would reach 12% or even higher. The OBR said “the outlook would have been much worse without the measures the Government has taken”<sup>3</sup>.
- The IMF has commented<sup>4</sup>: “The authorities’ aggressive policy response – one of the best examples of coordinated action globally – has helped mitigate the damage, holding down unemployment and insolvencies.”

In the face of this crisis, the government quickly provided one of the most comprehensive and generous packages of economic support in the world, adapting the help offered as the situation has evolved over the past 18 months.

In March 2020, the CJRS was set up to support employers to retain their employees through the pandemic. To date, the scheme has succeeded in supporting 11.6 million jobs across the UK with employer claims totalling £68.5 billion, aiding businesses, and protecting livelihoods.

The government extended support through the Plan for Jobs employment and skills provision, support for the self-employed, government backed loans, and grants for businesses forced to close, helping millions of people. And where people have sadly lost their jobs, the government has stepped in to help them find work or retrain.

The government’s successful vaccination programme has allowed almost all restrictions to be lifted and economy to reopen. Vaccines are the best way to protect people from COVID-19 and have saved more than 100,000 lives in the UK alone. Vaccinated people are far less likely to get COVID-19 with symptoms and even more unlikely to get serious COVID-19, to be admitted to hospital, or to die from it and there is evidence that they are less likely to pass the virus on to others. Thanks to the extraordinary efforts of the NHS, over 48 million people across the UK have received their first dose.

1 Quarterly National Accounts

<https://www.ons.gov.uk/economy/grossdomesticproductgdp/bulletins/quarterlynationalaccounts/januarytomarch2021>

2 ‘A millennium of macroeconomic data’, Bank of England, 2017

3 OBR Fiscal Sustainability Report, July 2020

4 <https://www.imf.org/en/News/Articles/2020/10/29/mcs101920-united-kingdom-staff-concluding-statement-of-the-2020-article-iv-mission>

## THE GOVERNMENT'S PLAN FOR JOBS IS WORKING

The latest data shows that the plan is working across all parts of the UK. The headline unemployment rate has now fallen for six consecutive months. People are rapidly coming off the emergency employment and income support schemes that have helped millions of people. Investment in infrastructure and the green industrial revolution is already creating high-quality jobs.

### The labour market is performing strongly

Peak unemployment is now forecast to be lower than previously feared. The latest OBR forecast for the peak unemployment rate is 6.5 per cent rather than the previously expected 12 per cent<sup>5</sup> – that means two million fewer people out of a job than previously expected.

The headline unemployment rate has now fallen for 6 consecutive monthly releases,<sup>6</sup> and the unemployment rate in the UK is lower than the US, Canada, France, Italy, and Spain.<sup>7</sup> At 4.7 per cent in the 3 months to June 2021, the unemployment rate is low by historical standards.

- Employee numbers have recovered strongly in recent months. In February 2021 there were 900,000 fewer employees than a year earlier; by July there were only around 200,000 fewer employees than immediately before the pandemic. Employee numbers have now grown for the last eight consecutive months.<sup>8</sup>
- This recovery has been strongest amongst under 25s; in July 2021 there were 330,000 more employees aged under 25 than in January this year.<sup>9</sup>
- In their latest forecast the Bank of England do not expect the unemployment rate to rise any further, with their forecast averaging 4.7 per cent over the second half of the year.<sup>10</sup>

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5 Economic and Fiscal Outlook, OBR, March 2021 and Fiscal sustainability report, OBR, July 2020  
6 ONS Labour Force Survey, August 2021  
7 Refinitiv datastream, August 2021  
8 HMRC PAYE RTI, August 2021  
9 HMRC PAYE RTI, August 2021  
10 Bank of England Monetary Policy Report, August 2021

**The UK has a strong labour market**, which pre-pandemic delivered record employment rates, underpinned by effective support from Jobcentre Plus for those searching for work. This has allowed the labour market to continue to outperform expectations.

**Job vacancies are now at record highs.** In addition, more people moved into employment during the second quarter of the year than ever before. There is also security for those already in work, with redundancy levels in the second quarter of the year below average levels in 2019.

The government continues to support **a tax and benefit system that ensures it always pays to work** whilst acting as a safety net for those families that need extra help. Work incentives have been built into the design of Universal Credit, which has none of the cliff edges and hours rules of the old legacy benefit system.

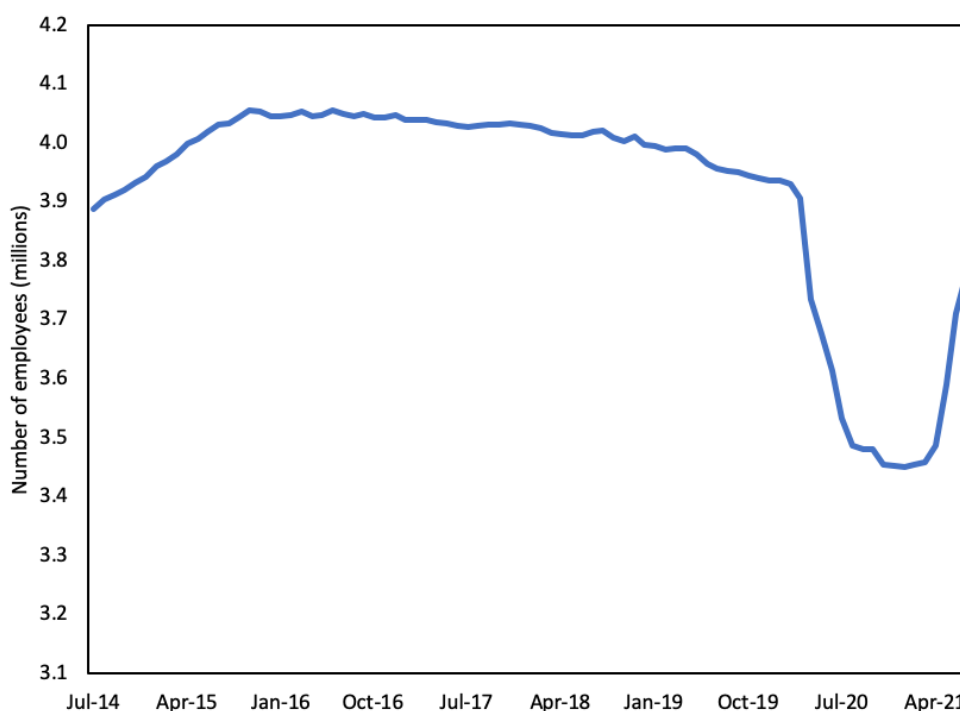
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**[The] world of work continues to rebound robustly.... There was no sign of redundancies starting to pick up in our survey day ahead of the furlough scheme beginning to wind down.**

Jonathan Athow, Office for National Statistics

## **There has been a strong recovery in employee numbers amongst under 25s**

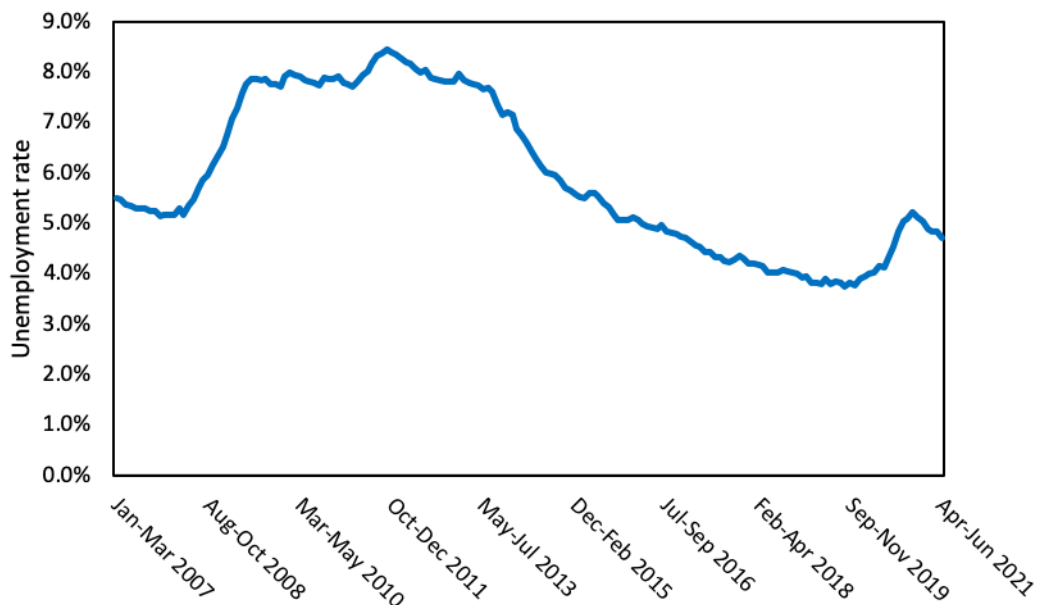
Figure 1 – Number of paid employees under 25, over time



Source: ONS and HMRC PAYE RTI data, August 2021

**The unemployment rate peaked at 5.2 per cent at the end of last year but has been falling since.**

Figure 2 – Unemployment rate (16+) over time



Source: Labour Force Survey

**Peak unemployment is now forecast to be lower than previously feared**

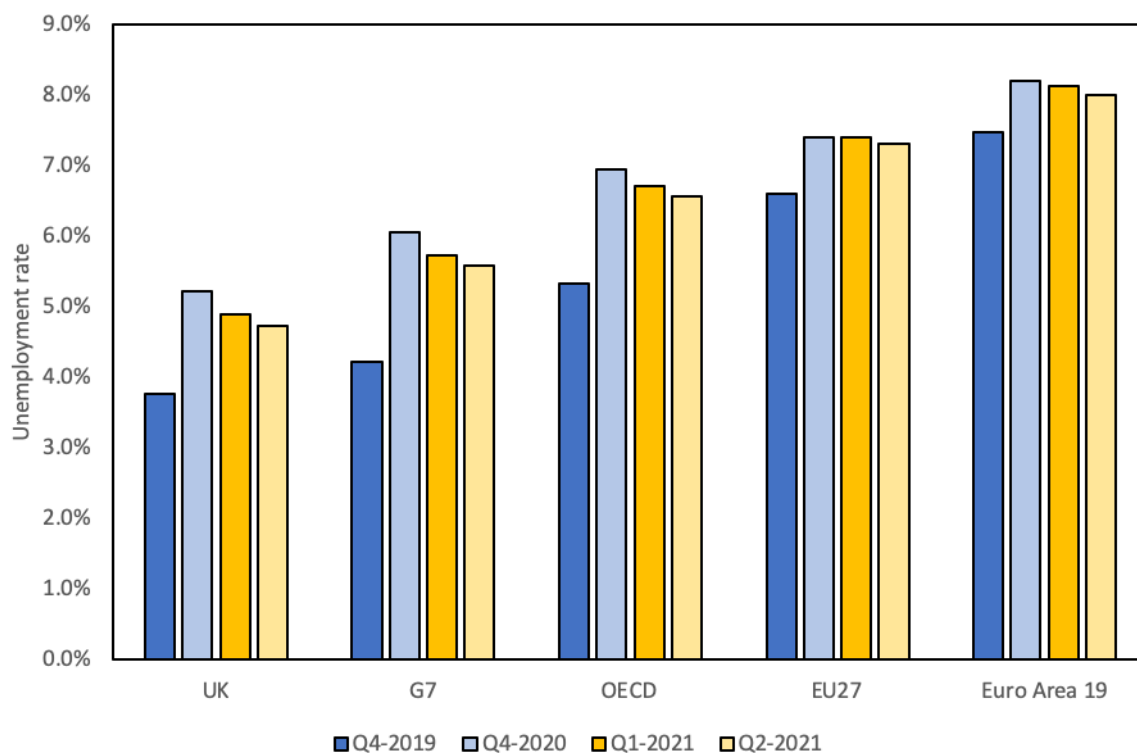
Figure 3 – Comparison of unemployment rate forecasts and outturn unemployment rate



Source: Labour Force Survey, OBR Economic and Fiscal Outlook (EFO) and OBR Fiscal Sustainability Report (FSR)

## Unemployment rate in the UK and comparable groups of countries

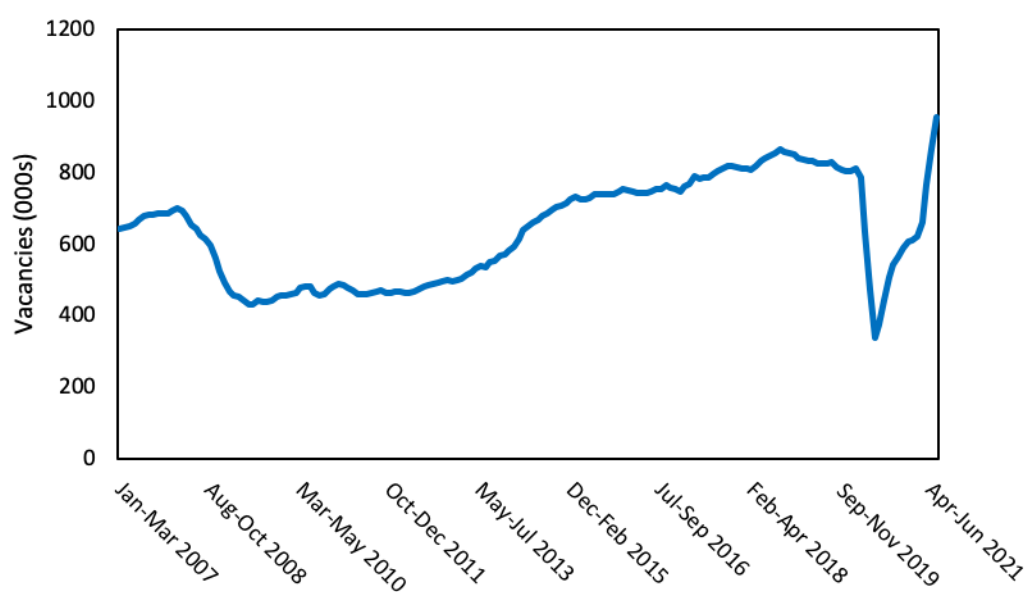
Figure 4 - Unemployment rate in the UK and comparable groups of countries, over time



Source: OECD

## Job vacancies are now at record highs

Figure 5 – Total vacancies overtime



Source: ONS



## The emergency employment and income support has helped millions of people but now is the right time for them to end

The Coronavirus Job Retention Scheme (CJRS) was introduced to help employers retain their employees through the pandemic aiding businesses and protecting livelihoods. Through easing financial burden, the CJRS supports jobs, reduces the risk of permanent business closures by supporting employers that had temporarily ceased or reduced trading, and reduces the risk of large losses in income, through wage support to furloughed employees.

The scheme has supported people through the pandemic as it was designed to do, and now the economy is reopening, people have been rapidly coming off furlough. The CJRS is therefore striking the right balance between supporting the economy as it opens up, continuing to provide support and protect incomes, while ensuring the right incentives are in place to get people back to work as demand returns.

- Since March 2020, the CJRS has supported the wages of 11.6 million people across the UK, at a value of £68.5 billion in claims.
- As the economy reopened, furlough numbers declined from a peak of 8.9 million last year, to 5.1 million in January, and to 1.6 million at the end of July.
- The CJRS has supported jobs for people of all ages. At the end of July 2020, employees under 25 were most likely to be furloughed, with around 30 per cent of eligible jobs on furlough. This group has also been the fastest to leave furlough and have the lowest take up rate as of the end of July 2021.
- The scheme has supported jobs in all nations and regions of the UK. The cumulative take up since the start of the scheme has been at least 38 per cent in every nation and region of the UK. Since the scheme's inception, the CJRS has cumulatively supported 910,000 jobs in Scotland, 470,000 jobs in Wales, and nearly 290,000 jobs in Northern Ireland.

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**Furlough has been a huge success and quite frankly one of the best government policies I think that the modern economy has ever seen. Without that I do think we would have had unemployment rates of 8-9 per cent, similar to the peaks we saw during the global financial crisis.**

Paul Dales, Capital Economics

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**Recognising that Covid would also have a significant impact on self-employed people, the Self-Employment Income Support Scheme (SEISS) was established to support the self-employed through the pandemic. It has supported the income of millions of entrepreneurs, sole-traders, and members of partnerships throughout the pandemic.**

- As of 15 August, across all SEISS grants, so far 9.9 million grants have been claimed and more than £27 billion has been paid in SEISS grants to almost three million people.
- As the deadline for 2019-20 tax returns has now passed, HMRC is using these tax returns for the latest grants, provided they were submitted by 2 March 2021. This means that hundreds of thousands of people, many of whom became self-employed in 2019-20, may be able to claim the fifth grant.
- SEISS grants have supported people in all regions and nations of the UK. The take-up rate is fairly consistent across the UK with most nations and regions having a take-up rate of between 20 per cent and 25 per cent.
- In recent months the number of people claiming SEISS grants has dramatically fallen.

Both the CJRS and SEISS grants will be closing at the end of September but the government is maintaining its focus on helping people back into work through the Plan for Jobs. This strikes the right balance between supporting the economy as it opened up, by providing support and protecting incomes through the summer, and ensuring incentives are in place to get people back to work as demand returns.

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**We welcome the Government's swift action in suspending business rates for a year and the support for continued employment through the job retention scheme. These will be essential for any consumer-facing business at this time.**

Greggs, March 2020<sup>11</sup>

“

**The Job Retention Scheme is a lifeline which has been hugely beneficial in helping small employers keep their staff in work, and it's extension is welcome.**

**Small employers have told us that part-time furloughing will help them recover from this crisis and it is welcome that new flexibility is announced today [12 May 2020].”**

Mike Cherry, national chairman of the Federation of Small Businesses, May 2020 in response to extension of the scheme<sup>12</sup>

<sup>11</sup> <https://www.investigate.co.uk/greggs-plc/rns/update-on-trading-and-impact-of-coronavirus/202003231615022634H/>

<sup>12</sup> PBC today, 13 May 2020, <https://www.pbctoday.co.uk/news/hr-skills-news/furlough-scheme-extended/76130/>

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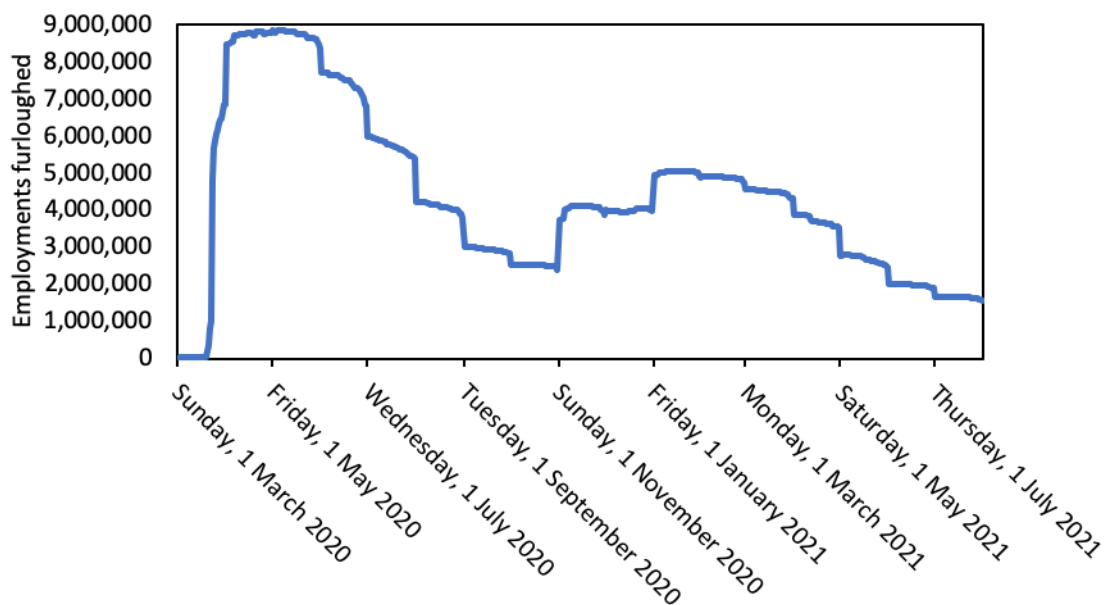
We furloughed staff during the early part of the first lockdown as we had no idea how the business was going to be impacted by the pandemic.

“The furlough scheme was a great help as a safety net to protect jobs during that period of uncertainty

Andrew Goddard, Executive Chairman of Morris Lubricants<sup>13</sup>

The furlough scheme provided support for almost 9 million people at its peak. It has also supported businesses reopen, with people rapidly coming off furlough.

Figure 6 – Total number of employments furloughed, March 2020 to July 2021

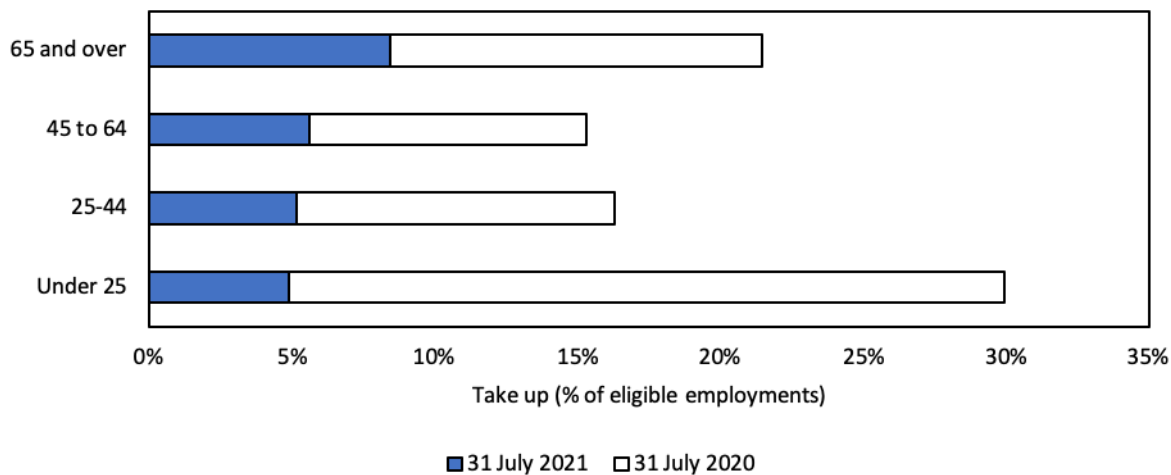


Source: HMRC Official Coronavirus Job Retention Scheme Statistics, 9 September 2021

<sup>13</sup> Shropshire Star, 31 March 2021, <https://www.shropshirestar.com/news/business/2021/03/31/shropshire-landlord-praises-furlough-scheme-for-saving-jobs-of-skilled-employees/>

The furlough scheme has supported the jobs of people of all ages – particularly young employees who had the highest take up rates in July 2020 and have come off furlough the fastest.

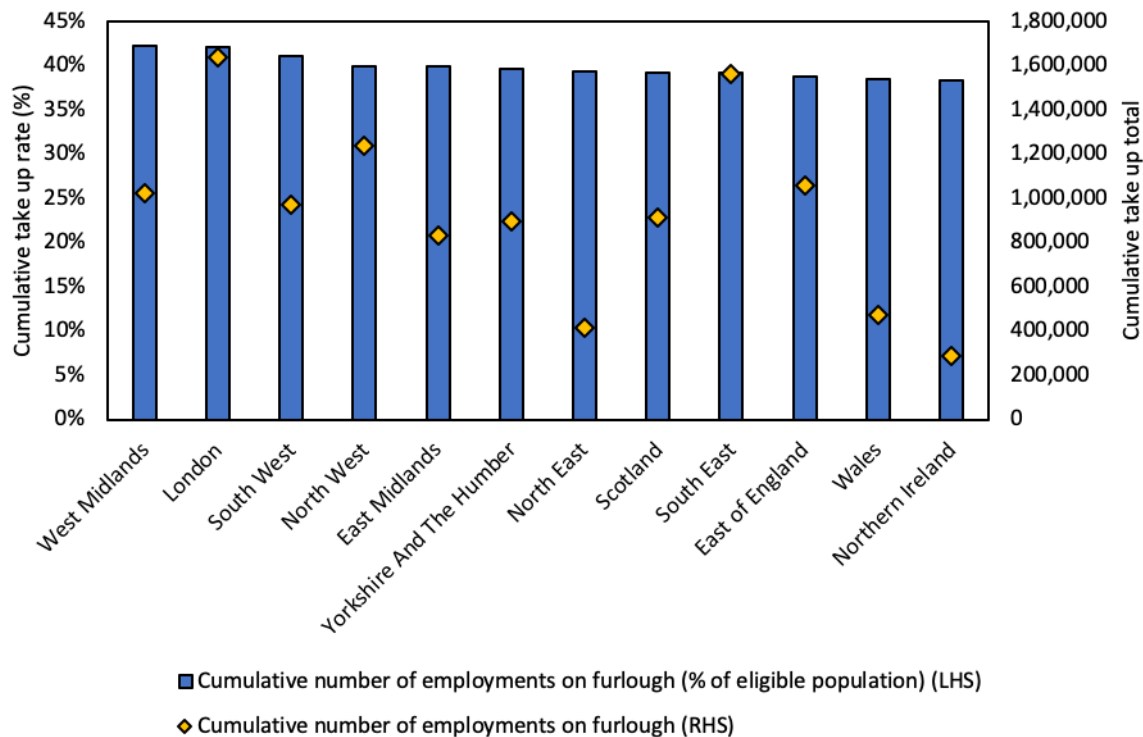
Figure 7 - Take-up rate of jobs furloughed by age of employee



Source: HMRC Official Coronavirus Job Retention Scheme Statistics

The cumulative take up since the start of the CJRS has been at least 38% in every nation and region of the UK.

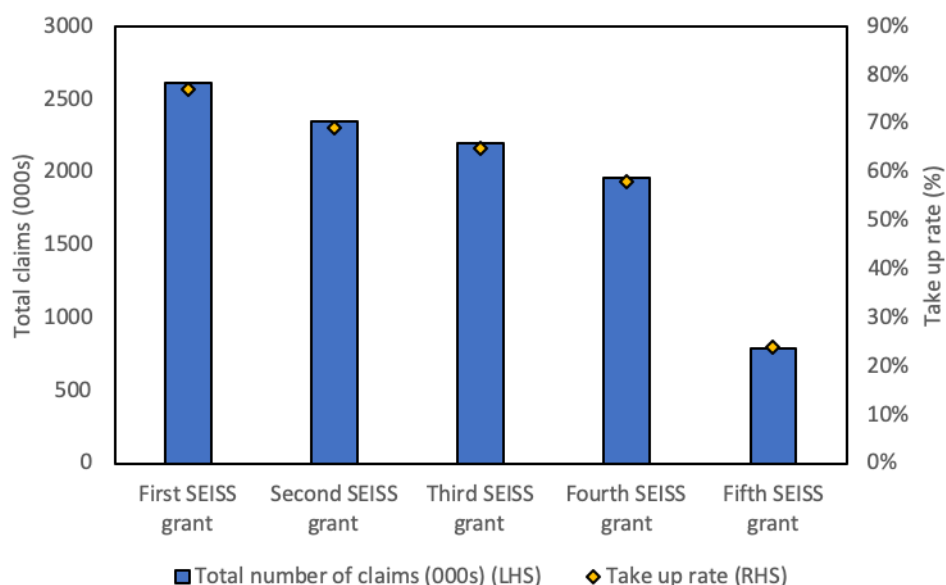
Figure 8 - Cumulative number of employments furloughed by region (place of work), as of 16 August 2021, since the start of the scheme



Source: HMRC Official Coronavirus Job Retention Scheme Statistics

## There have been nearly 10 million claims for the SEISS grant.

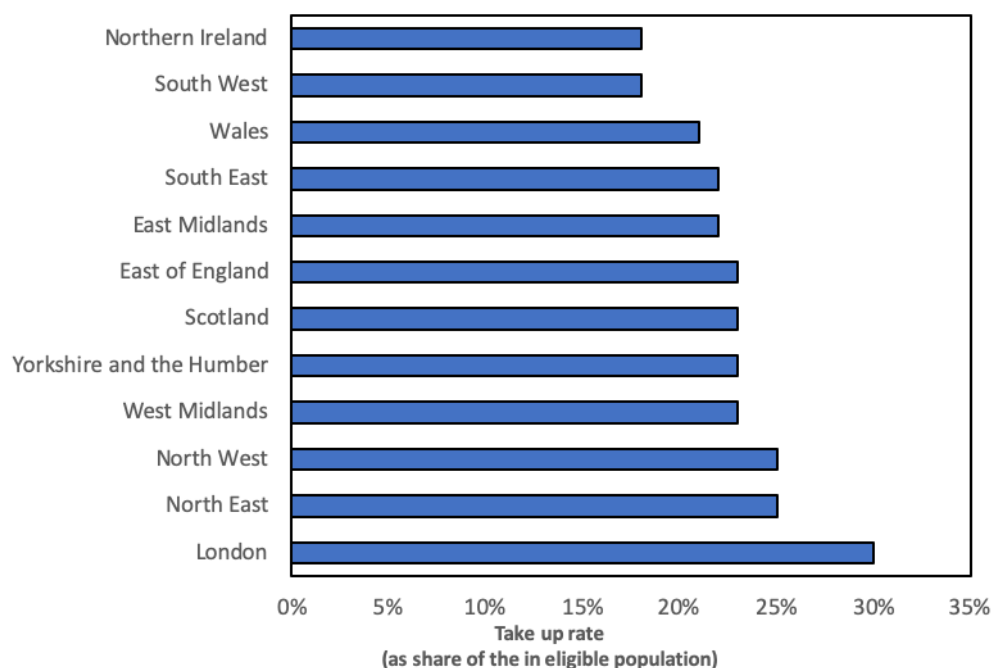
Figure 9 – Total number of SEISS claims and take-up rate, up to 15 August 2021



Source: HMRC Official Self-Employment Income Support Scheme Statistics

## The take-up rate of the SEISS grant is fairly consistent across the UK, with most nations and regions having a take-up rate of between 20% and 25%.

Figure 10 - Take up rate of the fifth SEISS grant as a share of the potential eligible population for all grants made to 15 August 2021, by country and region



Source: HMRC Official Self-Employment Income Support Scheme Statistics

## Investment is supporting jobs and creating new opportunities

**As the UK builds back better from the pandemic, the government is prioritising building back greener and faster. This means supporting green jobs, levelling up, accelerating the path to net zero, and creating long-term advantage for the UK.**

Spanning clean energy, buildings, transport, nature and innovative technologies, the Prime Minister's Ten Point Plan for a green industrial revolution will support up to 90,000 highly skilled green jobs within this Parliament, and up to 250,000 by 2030. This represents the first steps towards the government's broader ambition of supporting 2 million jobs in the green economy and its supply chain by 2030.

**Since the Ten Point Plan's publication the government has made significant progress on jobs.**

- Siemens Gamesa will invest a total of £186 million to expand its blade manufacturing site located near Hull, directly creating and safeguarding around 1,080 jobs. As a result of the investment, the company will be able to develop blades exceeding 100 meters and manufacture the next generation of wind turbines.
- GE Renewable Energy announced an investment in a major new offshore wind turbine blade manufacturing plant in Teeside. This brand new, state-of-the-art manufacturing facility will directly create around 750 jobs in the area to supply the Dogger Bank Wind Farm project.
- The £1 billion investment announced by Nissan and Envision AESC to create an electric vehicle (EV) manufacturing hub in the North East which will support 6,200 jobs at Nissan and its UK suppliers, including more than 900 new Nissan jobs and 750 new jobs at the Envision-AESC Gigafactory. The government is also providing £1 billion of funding to Phase 1 of the Public Sector Decarbonisation Scheme, which will support up to 30,000 jobs. These will be in things like building services, engineering and design, low carbon heating, and installation of renewable energy sources and energy efficiency measures.

Alongside the Ten Point Plan, the government launched the Green Jobs Taskforce, consisting of businesses, trade unions and skills providers, to assess how the UK jobs market and skills sector should adapt to support net zero, developing ideas and solutions for how the UK can deliver the green jobs of the future. The recommendations put forward in the Taskforce's independent report will be considered by Government as part of the development of the Net Zero Strategy, to be launched ahead of COP26.

The government is also backing businesses to create jobs, bearing down on unnecessary regulation and bureaucracy, as well as supporting businesses to invest by allowing companies to cut their tax bill by up to 25p for every £1 they invest through the super-deduction.

## The UK government has acted to save jobs and businesses across the UK

**COVID-19 has shown how the UK Government can work strategically and at scale to save jobs and support communities throughout the UK, working alongside the devolved administrations to keep every citizen safe and supported no matter where they live.**

Several of the most significant COVID-19 interventions have been done on a UK-wide basis. For example, since the scheme's inception, the CJRS has cumulatively supported 910,000 jobs in Scotland, 470,000 jobs in Wales and nearly 290,000 jobs in Northern Ireland. The SEISS grants have also supported individuals UK-wide throughout the pandemic, with £1.65 billion so far paid out in Scotland, £1.03 billion in Wales, and £754 million Northern Ireland, respectively. Kickstart jobs are also being created across Great Britain. To date over 3,000 jobs in Wales and over 5,500 jobs in Scotland have been started by young people at risk of long-term unemployment.<sup>14</sup>

Since the start of the pandemic the devolved administrations have benefitted from £28.1 billion of additional funding through the Barnett formula, with the initial tranche of additional funding confirmed through an unprecedented upfront funding guarantee announced in July 2020. Using a newly agreed flexibility to transfer £2.1 billion between financial years, the devolved administrations are spending £16.8 billion of the additional funding in 2020-21 and £11.3 billion in 2021-22. This funding has enabled the devolved administrations to provide support to individuals, businesses, and public services across Scotland, Wales, and Northern Ireland in response to COVID-19 and will continue to support the recovery through 2021-22.

Labour markets are recovering across all parts of the UK, exceeding pre-COVID levels in some nations. Employee levels are above or equal to pre-COVID levels in six out of 12 nations and regions, this includes Northern Ireland (+1.3 per cent) and Wales (at the same level), and in both nations the recovery is ahead of the UK as a whole. Scottish employee levels are still below pre-COVID levels (-1.2 per cent), but have recovered from a lower trough, growing 2.3 percentage points since February 2021 - close to the UK average.<sup>15</sup>

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<sup>14</sup> <https://questions-statements.parliament.uk/written-questions/detail/2021-07-20/36791>

<sup>15</sup> HMRC PAYE RTI, August 2021

## THE GOVERNMENT'S PLAN FOR JOBS

The government has taken unprecedented action to protect jobs during the pandemic. The government has also been clear that not every job could be saved. Where people have unfortunately lost their jobs, the Plan for Jobs, launched in July 2020 and based on evidence of what works, is helping them search for work or retrain.

In addition to the Plan for Jobs, the most vulnerable in our society also benefit from further support and the government has proactively been tackling sector barriers by working with employers to understand where the problems lie and taking action to resolve pinch points.

### **The Plan for Jobs is supporting people back into work and to develop the skills they need to thrive as the UK emerges from the pandemic**

#### **Kickstart**

##### **Objective:**

Young people have been disproportionately affected by the pandemic, and unemployment can have longstanding implications for their future jobs and wages. That is why the government announced the £2 billion Kickstart scheme in July 2020, to be implemented across Great Britain.

Kickstart gives young people at risk of long-term unemployment the chance to build their confidence and skills in the workplace, and to gain experience that will improve their chances of going on to find long-term, sustainable work. For employers, Kickstart offers them the chance to take on a young person who otherwise might not have got into work and support them to develop, with the costs reimbursed by government.

##### **Where are we:**

Across Great Britain, as of 31 August, over 63,000 young people have started Kickstart jobs and over 2,500 young people are now starting a Kickstart job each week.<sup>16</sup> The government aimed to get this scheme up and running as quickly as possible, recognising the urgent need for young people to get support due to the pandemic. By September 2020, employers were invited to submit applications to be part of the scheme and the first young people started in post by November, significantly quicker than previous schemes of this nature.

##### **What next:**

With hundreds of thousands of roles across Great Britain already approved, the Kickstart scheme will mean all young people at risk of long-term unemployment on Universal Credit will have had an opportunity for a fully subsidised job, which would provide an important step into the world of work.

<sup>16</sup> <https://questions-statements.parliament.uk/written-questions/detail/2021-07-20/36791>



## Case Studies - Kickstart

### Into Games

Into Games is a youth careers organisation that works to provide better opportunities into the games sector for underrepresented groups. They have several projects aimed at educating about a career in Games and providing guidance to get things started. Into Games currently employ two Kickstart young people and hope to keep them on at the end of their 6 months.

“Kickstart has been invaluable to us as an organisation, it’s not only provided us with two amazing employees that we hope to keep on after the process, but has helped grow our business in ways we didn’t think were possible. I would highly recommend the scheme to any employers out there as a way to develop your team and support the next generation of staff. It’s a no brainer.” Declan Cassidy, Chief Executive

### Walsall FC

Walsall FC are planning to sign up 20 young adults onto the scheme who will work in a variety of roles in different departments including media, coaching, grounds maintenance and commercial. Walsall FC Community Programme have employed an Assistant Groundsman, four community coaches and two marketing officers. The roles at Walsall FC have been made available by the English Football League Trust, which is acting as a gateway organisation for over 65 clubs.

“Our first cohort of 7 Kickstart participants have provide to be a real asset. The potential for growth is a very exciting prospect for both the young people and the Club as a whole.” Adam Davy, Community Director, Walsall FC.

## Restart

### Objective:

Although unemployment has started to come down, the nature of the crisis means that long-term unemployment (i.e. more than 6 months) has increased. To support those specifically at risk from long-term unemployment, the government launched the £2.9 billion Restart scheme to help over 1 million long-term unemployed people on Universal Credit – support worth approximately £2,000 per person. Participants of the Work Programme (2011-2019), which had some similar features, spent over two months fewer on benefits than those who didn’t enter the scheme. The government’s objective was to

learn the lessons from that experience and provide intensive, personalised support to those that needed it as quickly as possible. Restart will help those who become long-term unemployed, having spent over 12 months on Universal Credit Intensive Work Search. While the scheme is available to all, the evidence shows that people over the age of 50 and who lose their jobs are at greater risk of becoming long-term unemployed.

### **Where we are:**

Restart was announced in November 2020 and contracts were awarded in Spring 2021. Recognising the need to put substantial support in place, quickly, for long-term unemployed people across England and Wales, Restart was launched at unprecedented speed for a contracted employment programme of this scale to help people affected by the pandemic as quickly as possible, with the first referrals to providers in July 2021. Specialist providers, including charities and SMEs are complementing the important work of Jobcentres to provide additional expertise, investment, innovation, and capacity for tailored support to help job seekers undertake training and move into work.

### **What next:**

People are already benefitting from Restart's enhanced and tailored support and over the coming months, the number of people referred to the scheme will increase significantly. Restart is ramping up, with tens of thousands of people benefiting from the enhanced support it provides in the coming months. Restart will support over 1 million unemployed people over the next 3 years.

“

**The last year has had an unprecedented impact on the jobs market, leaving many people who have lost their jobs or been unable to take their first steps into work feeling vulnerable and anxious about the future.**

**The Restart Scheme will play a fundamental part in the nation's recovery, helping local people, their families and communities rebuild the security that makes such a difference.**

Chris Harrison, Executive Director of Employability and Health, Seetec

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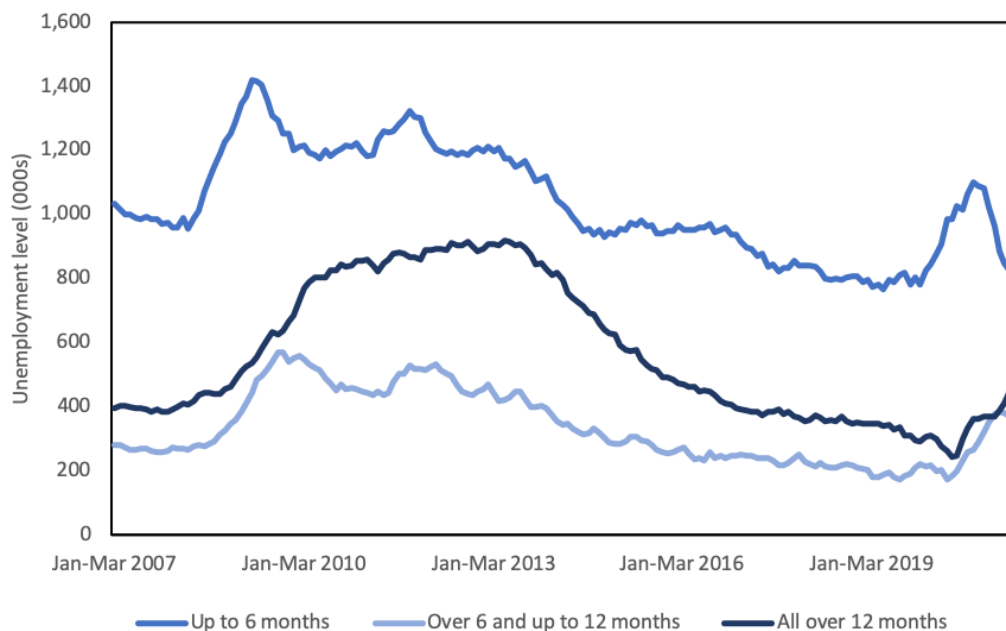
**Through delivery of the Restart Scheme, we are committed to playing our part in the national effort to rebuild the British economy.**

**We are looking forward to working with local community partners to help thousands of people to access effective, tailored support and overcome barriers so that they can get back into work.**

Dr Paul Williams, Division President, Maximus UK

## Long-term unemployment is increasing as a result of the pandemic after a long decline

Figure 11 - Unemployment level (16+) by duration, seasonally adjusted (000s)



Source: ONS

## Doubling the number of Work Coaches

### Objective:

Personalised, intensive support from work coaches for jobseekers is proven to make a significant difference to help them move back into work – and doubling the number of work coaches in Great Britain supports this objective.

### Where are we:

The government invested £2.3 billion across Plan for Jobs and Spending Review 2020 to hire and retain work coaches – doubling the number to 27,000. This was planned to be done by the end of the financial year 2020-21 but we achieved it in just eight months. Since April 2020,<sup>17</sup> 1.6 million people have moved from unemployment to employment from the Universal Credit Intensive Work Search group. This is an average of 7.7 per cent of Universal Credit Intensive Work Search claimants entering work each month.<sup>18</sup>

The support these work coaches have been able to provide to people out of work has been seriously affected by the pandemic. DWP rightly limited the amount of face-to-face contact to protect the health of claimants and staff, shifting contact to digital and telephone conversations. Whilst the government wants to retain the positive impacts of digital interactions, in-person support is invaluable in helping people back into work, and DWP's operations across Great Britain are returning to face-to-face support. In the Autumn, everyone in the Intensive Work Search group will be getting this type of support.

### What next:

Reflecting the increase in work coaches, the government is increasing the number of Job Centres around Great Britain by approximately 200. 79 have already opened (as of 26 August 2021), with over half of sites expected to be open to the public by the end of October.

<sup>17</sup> To May 2021

<sup>18</sup> Monthly movements into work among out-of-work Intensive Work Search (Searching for Work) claimants. Excludes claimants with a valid fit note or awaiting a Work Capability Assessment. Claimants can be in more than one month. Source: DWP Management Information and HMRC RTI data on Pay As You Earn employees.

## Investing in the Job Entry Targeted Support

### Objective:

The government has invested over £200 million into the Job Entry Targeted Support (JETS) scheme for those unemployed for over three months. This Great Britain wide scheme launched in October 2020 in England and Wales and January 2021 in Scotland, having been announced in July 2020, and is now fully operational. It provides applicants with supported related to CV writing, interview skills, and job search advice, as well as receiving individual, tailored support.

### Where are we:

To date,<sup>19</sup> this has already helped support over 132,000 people in England and Wales, as well as nearly 6,000 people in Scotland.

### What next:

Over 138,000 people have already benefitted from JETS. Since the start of the contract, over 25,000 Job Outcomes have been achieved and this will continue to increase as people continue to benefit from tailored support.

“

**The government's Plan for Jobs package of labour market initiatives is helping people to provide for their families throughout the pandemic and the Job Finding Support is another important step in helping jobseekers in these difficult times.**

Elizabeth Taylor, Chief Executive of ERSA  
(Employment Related Services Association)

<sup>19</sup> England/Wales figures are October 2020 to June 2021. Scotland figures are February to June 2021

## Job Finding Support

### Objective:

In July 2020, the Chancellor announced a new, one-to-one online offer to support those unemployed for less than three months. DWP launched Job Finding Support (JFS) in Great Britain in January 2021, to provide help and support for newly unemployed people, within their first 13 weeks of unemployment. Delivered online through private sector providers, JFS helps people to become familiar with current recruitment practices, identify their transferable skills, understand sector specific approaches, and develop a personalised job finding action plan.

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**I'm pleased to see further investment in the apprenticeship and traineeship incentives, underpinning the Chancellor's commitment to investing in skills and education for the long term. It is crucial that unemployed young people and adults can gain new skills which will help them secure and retain good work. Young people leaving education this year will have missed out on their education during the last year and they will face tough times in the labour market. I look forward to seeing further investment in education recovery in the coming weeks. That will be essential to build back fairer as well as better.**

David Hughes,  
Chief Executive, Association of Colleges

### Where are we:

Over 30,000 people in Great Britain have been supported through JFS since January 2021, up to the end of August 2021.<sup>20</sup>

### What next:

JFS support will continue until January 2022.

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20 Starts: Where an initial meeting has taken place and participant has acknowledged receipt of appropriate documents such as the Job Finding Action Plan (JFAP). Source: DWP Provider Referrals and Payments (PRaP) system

## Generous Apprenticeship hiring incentives

### Objective:

The government is encouraging employers to hire new apprentices in England by giving them £3,000 for every apprentice of any age they hire before 30 September 2021. This is a significant 35 per cent wage subsidy for an apprentice on the Apprentice Minimum Wage.

### Where are we:

So far, more than 85,000 apprentices have been newly hired under our new incentive payments, of which 75 per cent were under 25-years-old. Typically, over 90 per cent of apprentices remain in employment or go on to further training.

### What next:

Beyond 30 September 2021, the government will keep this scheme and the broader labour market under review. Employers will continue to benefit from government support with the cost of apprenticeship training – with the government paying 95 percent of the training costs for smaller employers who do not pay the Apprenticeship Levy.

“

**Apprenticeships provide an excellent route to some of the best careers in tech and professional services and are now an outstanding alternative to the best universities. By backing the employers creating more apprenticeships, these incentives should support firms to tackle critical skills gaps and help power the economic recovery.**

**We've had over a hundred thousand applications for our recent tech and digital apprenticeships and some of the most talented people in the country are pursuing this route. It's great to see apprenticeships playing a central role in the government's thinking.**

Euan Blair, founder and CEO, Multiverse

“

**The extension of the apprenticeship financial incentives until the end of September could be a game-changer and the increase in the incentives should prove to be particularly attractive to smaller businesses who have traditionally offered apprenticeship opportunities to young people. The Chancellor's championing of apprenticeships and traineeships throughout the pandemic has been appreciated by employer and training providers facing an extremely challenging environment and the Plan for Jobs puts skills at the heart of a sustainable economic recovery.**

Jane Hickie, Chief Executive, Association of Employment and Learning Providers

## Tripling the number of Traineeships for 16–24-year-olds

### Objective:

The government has provided funding to triple the number of traineeships in England, which consist of work experience placements, training and work preparation over a period lasting up to a year.

### Where are we:

The government is providing employers – including Specsavers and the British Heart Foundation – a £1,000 bonus to provide high quality work experience placements. 66 per cent of trainees go on to apprenticeships, further work or study with that destination being sustained for over 12 months. A typical traineeship costs £3,700 per person in support.

The Plan for Jobs provided £111 million for up to 36,700 additional traineeships in 2020/21, including paying employers £1,000 for providing work placements for trainees. An additional £58 million was provided at Spending Review 2020 to support traineeships until the end of the 2020/21 academic year in July, with a further £126 million awarded at Budget 2021 to continue the expansion for the full 2021/22 academic year and provide up to 43,000 placements.

### What next:

As of July 2021, over 17,000 young people across England have already benefitted; funding next year will reach another 40,000 and starts are accelerating following expanded provider capacity.

“

**I'm utterly over the moon that more energy and investment is going into supporting our young people. The recent conversation the Chancellor and I had on hope, skills, and opportunity – this part of the Budget does that for young people. The Chancellor has delivered on that, thank you.**

Jack Parsons, UK's Chief Youth Officer, Kickstart, Apprenticeships & Traineeships<sup>21</sup>

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## Pioneering Lifetime Skills Guarantee – Free Courses for Jobs Level 3 offer

### Objective:

Any adult in England without A Levels or equivalent qualifications will be fully funded by the government to access free Level 3 courses. Over 400 qualifications are available through the offer, which can support adults to gain skills leading to jobs in sectors such as construction, adult care, hospitality and digital, among many others. There are an estimated 11 million adults over the age of 24 without L3 qualifications in England. On average, L3 qualifications result in a 16 per cent earnings return and a 4 per cent increase of the chance of being in employment.

### Where we are:

Further education providers have been delivering this offer since April, with thousands of adults across all regions in England already benefitting from this free advanced technical training.

### What next:

The government will continue to deliver this long-term commitment and are working to ensure that as many adults as possible can benefit from these qualifications.

## Expanding skills bootcamps

### Objective:

As part of the Lifetime Skills Guarantee, the government is expanding 'Skills Bootcamps' in England – short, flexible training courses lasting up to 16 weeks for adults wanting to upskill and retrain in digital, construction and technical skills. There is either a guaranteed job interview on completion for those looking for roles in a new organisation, access to be a better role for those training with their existing employer, or access to new opportunities for the self-employed.

### Where are we:

The government started in September 2020 by investing £8 million in six local areas, in partnership with 350 employers to jointly roll out over 90 Skills Bootcamps, with over 3,000 learners participating by March 2021. Since April 2021, this offer has been expanded by investing a further £43 million of funding to deliver 200 more Skills Bootcamps across all regions in England to 16,000 more learners by April 2022.

### What next:

The government expects to deliver 16,000 training places in England this year.



## Case Study - Improving Skills in Construction

Convened in November 2020 the Construction Skills Delivery Group (CSDG) is a Department for Business, Energy and Industrial Strategy/Department for Education led cross government collaboration with construction industry leaders. The CSDG is working to improve and build on the existing ecosystem of training offers to ensure that the construction sector is equipped to respond to the needs of the labour market by:

- Improving training routes into construction,
- Creating opportunities for the labour market to re-skill and up-skill,
- Targeting resources to meet current and future employer needs, and
- Create a more diverse workforce.

So far, the government has introduced accelerated apprenticeships to help apprenticeships with the relevant skills and experience to complete their training more quickly and launched front-loaded training to embed key skills up-front, so apprentices can hit the ground running from day one in the workplace. They are expected to deliver at least 1,000 front-loaded starts and 3,000 accelerated apprenticeships starts in construction standards in academic year 2021/22 (Academic Year 21/22). Feedback from industry employers shows that these offers are attractive to the sector with Barratt Homes and Redrow already using front-loading training for their bricklaying apprentices.

The first construction occupational traineeship in bricklaying launched in June 2021. Graduates will be eligible for accelerated apprenticeships. Persimmon will recruit some of the first cohort in the autumn.

The Free Courses for Jobs offer launched in April, giving adults the opportunity to gain a first Level 3 qualification – includes 61 qualifications in construction. In July 2021 the government announced the wave 2 Skills Bootcamps, which included a £8 million investment in construction and engineering construction courses. Skills Bootcamps will be available in subjects such as Retrofit, Construction Management, Construction Skills, Net Zero Construction and Data Science for Construction.

## Additional funding for the National Careers Service

### Objective:

The National Careers Service provides information, advice, and guidance to help you make decisions on learning, training and work to people living in England aged over 13.

### Where are we:

The National Careers Service supported around 160,000 people into new employment or training in 2019-20.

### What next:

The government provided additional funding worth £21 million in 2021/22 to expand capacity of the National Careers Service to reach a target of 269,000 more customers. Expanded priority groups include 18–24-year-olds in education and training and furloughed workers.

## Expanding Sector-Based Work Academy Programme

### Objective:

To support those who are out of work develop the skills they need to re-enter the jobs market; the government provided funds to expand the number of Sector-Based Work Academy Programme (SWAP) placements for unemployed benefit claimants in England and Scotland. SWAPs are offered across a range of different sectors including construction, logistics, hospitality, and security, and consist of pre-employment training, work experience placements and a guaranteed interview, so more people can get the skills needed for in-demand jobs in their local area.

### Where are we:

Last year, almost 65,000 job seekers enrolled on a SWAP to help them gain new skills and start a career in a new industry - an average of more than 1,200 per week.

### What next:

The government is looking to create 80,000 more opportunities this year, and over 30,000 job seekers have been supported since April 2021.<sup>22</sup>

<sup>22</sup> Starts from April 2021 to week ending 29 August 2021. A SWAP start is defined as the first day of the placement, which is usually the first day of pre-employment training. A start is only recorded where a claimant attended their placement. Source: this information is collected clerically for DWP Management Information purposes.

## Case Study - SWAPS

### MATTHEW, GLASGOW

Matthew McLean from Glasgow, who has Asperger's, was helped by his Work Coach Danny to find a SWAP that allowed him to discover if the administration sector ticked all the right boxes. After successfully completing the SWAP, Matthew secured a Kickstart job in the sector and started a full-time role this summer.

#### Matthew said:

"Thanks to the support of Danny, Susan from Glasgow City Council's Supported Employment team, and the SWAP, I was given the opportunity to really understand the sector, learn about the variety of roles on offer, and see if it fitted my skillset. It definitely does! Without the SWAP I don't think I'd be in the position I am now – I'm so grateful for Danny, Susan, and all the help I've received."

### PAUL KING, KINGSTON UPON HULL

After leaving his job in the security sector, a SWAP helped Paul King from Kingston upon Hull bag a new role in telesales, an industry he says he wouldn't have considered if it wasn't for the programme.

#### Paul said:

"Prior to the SWAP, I wouldn't have seen myself in telesales, but it really opened my eyes to the industry and the range of roles within it. After gaining that first-hand experience and the opportunity to meet people already working in the sector, I was sold!"

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## A strong Youth Offer

### Objective:

Recognising that young people are amongst the worst hit by financial crises, the government prioritised offering a guaranteed foundation of support to all 18–24-year-olds in the Intensive Work Search group on Universal Credit with its Youth Offer across Great Britain. This includes: 13 weeks of intensive support to help new claimants into suitable opportunities, provision of Youth Hubs which are co-delivered by DWP and local partners, and Youth Employability Coaches for those with complex needs. Youth Hubs are co-located and co-delivered with our network of external partners to provide up to 6 months of support for young people to address any skills gaps to bring them closer to labour market opportunities.

### Where are we:

There are currently over 115 Youth Hubs physically open to support young people across Great Britain get into work and the ambition is to have 150 open by the end of the year. 150 Youth Employability Coaches (YECs) have also been recruited across the country, who are flexibly supporting young people with significant complex needs and barriers to help them move into employment. The government will additionally offer these young people 6 weeks of in work support, once they have secured employment.

### What next:

The next key milestone for this element of the Plan for Jobs is opening the additional Youth Hubs by the end of the year, ensuring young people can access the support they need across the whole of Great Britain.

The Scottish Government has devolved responsibilities for unemployment programmes for people who have been unemployed for over 12 months and has developed their own programmes. As in Wales, this devolved provision sits alongside the Great Britain wide Youth Offer.

## Supporting the most vulnerable in society

Work is the best route out of poverty, it gives families financial security, and it provides opportunity to grow and develop. This is why jobs continue to be the government's highest economic priority. In addition to the Plan for Jobs, the most vulnerable in society also benefit from further support. In April, the National Living Wage (NLW) rose by 2.2 per cent to £8.91 an hour, worth over £345 a year for a full-time worker. The government expanded the NLW to those over the age of 23 (previously 25). Over 2 million people are likely to benefit from these changes.

The government has also significantly increased the generosity of the Local Housing Allowance for housing benefit. Relinking Local Housing Allowance rates to the 30th percentile at a cost of almost £1 billion – over 1.5 million households gained just over £600 per year on average in additional support, and this is being maintained at the same cash level this financial year to ensure that claimants continue to benefit from this increase. Four million families are also getting extra help with their council tax bills.

## Tackling sector barriers and staff shortages

The impact of the COVID-19 pandemic did not hit all sectors equally, and the opportunities for recovery will also not be uniform. Some sectors saw a surge in demand for staff over the summer following stage four of the COVID-19 roadmap and some parts of the economy are finding it difficult to fill vacancies.

Many of these issues in filling jobs are short term frictions. Nonetheless, the government is taking action to identify and address labour market challenges in high demand and growing sectors, including:

- In the digital and tech sector 9,000 Google Certificate Scholarships have been established in IT Support, Data Analytics, Project Management and UC Design.
- In construction the government is testing apprenticeship flexibilities to fast-track completion by recognising previous experience, the first construction occupational traineeship in bricklaying and an £8 million investment in construction and engineering construction courses Skills Bootcamp.
- To support jobs in Adult Social Care, DWP have run a range of campaigns to promote the opportunities available to jobseekers.
- And the government is working with MakeUK to increase Kickstart and SWAP placements in manufacturing.

The Prime Minister has created a new Cabinet Committee to drive action to alleviate problems with logistics and supply chains. The committee will be chaired by Chancellor of the Duchy of Lancaster.

The government will also launch an industry taskforce to inform the response to labour market and supply chain challenges. The official-led group will bring together major employers, retailers and hauliers to provide industry expertise and insight to ensure government has advance sight of labour market or supply chain challenges ahead of time. Where relevant it will serve as an advisory forum to test business or government led operational solutions to these challenges.

## **Staff shortages in the haulage and logistics industry**

One example of a confluence of factors resulting in unique pressure are the issues being seen in haulage and logistics, requiring short term action by both government and industry to address issues.

A cross-government approach is being taken alongside working closely with industry to tackle the shortage.<sup>23</sup> Actions being taken include streamlining the process for people to get their Heavy Goods Vehicle (HGV) licence and working closely with sector leaders to understand how more people can be encouraged into these roles. The government is also inviting employers from a range of sectors into local Jobcentres, knowing that one of the most effective ways to promote vacancies is for employers to come and market their opportunities directly to our work coaches and jobseekers, including with onsite interviews.

The government has ramped up the number of driving tests available for HGV drivers, launched proposals to provide even more test slots, and proposed changes for obtaining an HGV driving test. Drivers' hours rules have been temporarily relaxed to allow HGV drivers to make slightly longer journeys, but these must only be used where necessary and must not compromise driver safety. Discussions continue as to what more can be done.

These issues are not unique to the UK, though. Vacancies across advanced economies have continued to rise sharply over the summer. The US has seen very strong wage growth as employers react to labour shortages. Across Europe, shortages in certain sectors are becoming clear: Germany, France and Spain are currently experiencing a total shortfall of 400,000 HGV drivers as supply chain issues affect service demand.

<sup>23</sup> More information about the measures the Government is taking to tackle the haulier shortage is available here: <https://www.gov.uk/government/news/government-takes-further-action-to-tackle-hgv-driver-shortage>

## OUR FUTURE APPROACH

### **The Plan for Jobs is working, protecting jobs and helping people back into work**

In the coming months the UK will move to a new phase of the Plan for Jobs. The government's successful vaccination programme has allowed almost all restrictions to be lifted. With businesses able to operate without the constraints of necessary health restrictions, now is the right time to end the major COVID-19 emergency support and return to a flexible labour market - a long-standing strength of the UK economy.

In this next stage of the Plan for Jobs, this Government will be focused on:

- Maximising employment across the UK. It will do this by continuing to deliver on the Plan for Jobs, providing extra help for people who struggle to find work through DWP's work coaches, and schemes such as Kickstart and Restart. It will also back businesses to create jobs, through delivering on the Prime Minister's 10-Point Plan for green jobs, bearing down on unnecessary regulation and bureaucracy, as well as supporting businesses to invest by allowing companies to cut their tax bill by up to 25p for every £1 they invest through the super-deduction.
- Deliver the skills that business and the economy needs. The pandemic has caused problems with specific supply chains. These issues may also interact with short term frictions in the labour market as the economy opens and emergency support is unwound. The government will continue to work closely with business in identifying any challenges in specific sectors, responding as appropriate to smooth adaptation and prevent disruption to markets and consumers. Furthermore, the system for further education is being radically reformed so it is better aligned with the needs of business and the government is delivering on the Skills White Paper.
- Helping people through upskilling and in work progression. The government's pioneering Lifetime Skills Guarantee aims to transform the skills system so everyone, no matter where they live or their background, can gain the skills they need to progress in work at any stage of their lives. The government is also driving up wages for the lowest paid, remaining committed to the government's ambitious objective to help end low pay by increasing the National Living Wage to two thirds of median earnings by 2024.

In the longer term the government is committed to driving growth and improving productivity. Continuing to deliver on the Prime Minister's 10-Point Plan for green jobs; investing in infrastructure and boosting innovation through the landmark investment in R&D, helping turn the UK into a science superpower, will help people across the UK back into work, earn more and develop the skills they need to thrive in the future.

