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# Understanding worklessness in Newham: Final Report

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IES project code: 2092

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# Executive Summary

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## The research

The London Borough of Newham commissioned the Institute for Employment Studies to undertake an analysis of worklessness within the borough; with a particular focus on understanding those who had been out of the labour market for long periods of time, and those who had never worked. The research involved several strands, including:

- **A literature review** to identify and assess the evidence for the drivers of worklessness; to examine the importance of various barriers to employment for workless groups in the borough; and, to identify good practice examples for supporting workless people into employment.
- **Analysis of secondary datasets** to provide an overview of the scale and characteristics of worklessness locally; sources used include the Annual Population Survey, Annual Business Inquiry, DWP Benefits Data, and the Census of Population.
- **Qualitative semi-structured interviews** were undertaken with a range of informants, including partners and stakeholders who provide services to workless groups, local employers, and workless individuals within the borough.

## Employment in Newham

The employment rate in Newham is 56.2 per cent of the working age population. The gap in the employment rate between Newham and London currently stands at minus 13 percentage points, and has not narrowed significantly in recent years. At the current rate of difference, and current population level, it would require an additional 10,700 Newham residents to move into work to halve the gap, and 21,400 to close it entirely.

The employment rate in the borough is particularly low for women and for ethnic minorities – only 46 per cent of working age women in Newham are in employment (compared to 62 per cent in London), and the employment rate among ethnic minorities stands at 49 per cent (compared to 59 per cent in London).

## Worklessness in Newham

The workless are a diverse group and include:

- The unemployed - those who are out of work *and* actively seeking employment.
- The economically inactive - which includes students, (early) retired, the long-term sick, carers and those looking after their family/home.

In total there are 72,100 working age Newham residents who are workless, 44 per cent of the working age population:

- Unemployment in Newham stands at around 14,000-15,000, and the unemployment rate of 14 per cent is approximately double that of London.
- Newham also has a very large economically inactive population of 57,100. Of the inactive, 3,200 men and 6,100 women say they would like a job.

If those who are inactive but would like a job are added to the unemployed, around 23,000 Newham residents are either actively looking for work, or are interested in moving into employment but not currently searching.

Newham's out-of-work benefit claimant rates exceed those for London across all benefits. The borough has 13,150 claimants of Incapacity Benefit/Employment Support Allowance (7.9 per cent of the working age population), 9,820 Jobseeker's Allowance claimants (5.9 per cent) and 6,460 claimants of lone parent benefits (3.9 per cent).

A broad typology of the reasons for the high rates of worklessness in Newham can be considered as:

- **Worklessness which is the result of economic and social change** - among the established community
- **Cultural worklessness** - particularly among Bangladeshi and Pakistani women
- **Imported worklessness** - as a result of immigration flows as migrants take time to assimilate and to find employment

## Barriers to work in Newham

The research highlights that individuals who are workless in Newham often face multiple barriers to work, with the number and scale of these barriers often increased by long-periods spent out of the labour market. In this research these barriers were analysed in terms of the local labour market, local population characteristics, and other institutional factors which mediate the relationship between these.

### The local labour market

Some barriers to work are the result of the nature of the local labour market in terms of whether there are enough jobs, enough suitable jobs, and whether local employers' attitudes or recruitment processes disadvantage local workless groups.

The number of jobs within Newham per head of the working age population is the lowest of any London borough, standing at 0.46. In recent years there has been a shift in the borough's employment structure, with falling employment in manufacturing offset by growth in public administration, health and education. Such a shift may have (to an extent) disproportionately impacted on some groups, primarily men with few qualifications. It was also suggested by stakeholders interviewed for the research that there was congestion in the labour market for entry-level positions as a result of the local skills and qualifications base.

Employers interviewed felt that applicants from Newham were often less employable than those from other boroughs, reporting they often had issues with basic skills and employability skills, lacked a (recent) work history, and could be less motivated.

Employer interviews also highlighted that good practice examples in improving opportunities for workless groups should include:

- agreements with employers to recruit from long-term workless groups in return for providing provision to ensure potential recruits are job ready
- providing in-work support to the long-term workless to make employment more sustainable

### Population characteristics

A range of individual and household factors influence how individuals will respond to the local available job opportunities.

Residents in Newham face a number of human capital barriers to work, including:

- Low qualifications - one in five of the borough's population has no qualifications
- Non-recognition of foreign qualifications
- Poor basic employability skills, particularly among those who have been out of work for long periods
- Low levels of English
- Poor employment histories, which can be a barrier in both an individual's perceived employability by an employer, and because periods of worklessness tend to impact on levels of confidence and self-esteem.

Workless groups in Newham also face a number of circumstantial barriers, including:

- Caring responsibilities - particularly for the relatively large number of lone parents in the borough, which can limit the ability to enter employment, or to train for employment.
- Cultural barriers to work – which are particularly pronounced among some BAME groups, notably Pakistani and Bangladeshi women.
- Health barriers – there are a large number of Newham residents claiming sickness benefits

### **Institutional barriers**

Institutional factors derive from government (central and local) policies and mediate the interaction between the supply of, and demand for, labour. Important institutional barriers locally include:

- Childcare, where either cost, or personal choice, means mothers are reluctant to leave their children in someone else's care.
- The relatively widespread perception locally that there is a 'benefits trap', resulting in workless residents believing they are better off being on benefits than they would be in work.
- Specific gaps in service provision - including the need for additional employability-related English for Speakers of Other Languages (ESOL), and more widely available Information Advice and Guidance (IAG).
- A disconnect between provision that is embedded in the local communities and more mainstream provision. To facilitate a reduction of worklessness, more effective networks or pipelines of support into employment need to be established which link service providers together.



## Good practice in tackling worklessness

Newham's workless are a diverse group whose needs cannot be met with a 'one size fits all' approach. Many residents face combinations of barriers to work which require an individually tailored approach (often working through multiple service providers). To meet these diverse needs an integrated approach which develops effective partnership working across a range of services is required. Best practice examples seem to include:

- On the demand side, effective engagement with employers is crucial. Drivers of employer participation in programmes to support workless groups include meeting employers' skills or recruitment needs, or fulfilling corporate social responsibility goals. Recent models for this include Local Employment Partnerships, through which Jobcentre Plus provided services like pre-screening applicants, help with recruitment, and pre-employment training to encourage employers to recruit from priority groups.
- Local skills provision should reflect and meet the needs of local employers. There is also an issue about providing training courses which are geared towards employment more generally, for example the need for an employability-focus within ESOL provision.
- Tackling local worklessness requires strong linkages between local service providers (including private, statutory and third sectors) to ensure that individuals can draw on all the appropriate services to meet their needs. This can be facilitated by 'routeway brokers' – individuals who act as mentors and advocates for workless individuals.
- Effective engagement with workless groups is fundamental to tackling low employment rates. Encouraging workless individuals to take up opportunities can be developed through:
  - Engagement with community organisations that are trusted – this can help secure the participation of workless groups in support programmes.
  - Outreach – can be important in accessing individuals who are not already engaged with community or employability activities.

## Conclusions and recommendations

Employer engagement is fundamental to tackling worklessness and should be a matter of priority. An attractive offer which has employer buy-in can provide access to more vacancies and work placements for workless individuals.

There are very significant current and upcoming opportunities in the borough to move people from worklessness into employment, including the Olympics and the new Westfield development. It is critical that all is done to maximise the impact of these opportunities. Given the time constraints around these it may make sense to target support here towards those who are closer to the labour market.

A longer-term objective must be to increase the educational attainment, as well as the broader skills base, among residents. More immediately, there will continue to be significant demand for support with basic employability training, ESOL, and IAG.

There is a need to address the widely held local perception that there is a 'benefit trap'. Raising awareness of the support and financial incentives available when moving into work is crucial.

For those furthest from the labour market multiple forms of support are often needed. More needs to be done to join-up existing services to tackle worklessness, particularly between the statutory and third sectors. Workless groups can be more likely to engage with very localised, or specialised, provision than with mainstream employability and employment support. There is therefore scope for developing broader and more holistic networks by brokering stronger links between local community services and provision, and more mainstream provision, to establish clear pipelines or progression routes for people who are furthest from the labour market.

Provision in the borough will need to be geared up to adapt to future national policy changes. Particularly significant are the introduction of Employment Support Allowance (ESA) and the migration of the Incapacity Benefit caseload onto the new benefit; changes in lone parent obligations, with the age of the youngest child for which a parent can claim Income Support being reduced to seven in October 2010; and, the roll-out of the Work Programme, due in Summer 2011, which will replace existing welfare to work provision – the borough needs to be instrumental in shaping this provision and ensuring its fit with other forms of support.

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# 1 Introduction

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## 1.1 About the research

The London Borough of Newham commissioned the Institute for Employment Studies to undertake an analysis of worklessness within the borough. Levels of worklessness in Newham have for many years been consistently, and significantly, above the London average. Furthermore, at the time of the last Census (in 2001), 11 per cent of the population in Newham had never worked, well above the London average of five per cent. With this in mind, we were asked to particularly focus on understanding those who had been out of the labour market for long periods of time, and those who had never worked. The specific objectives for the study were:

1. To identify and review existing research that identifies and assesses the importance of various barriers to employment for the workless within the borough.
2. To carry out an analysis of available data relating to employment, worklessness, and the characteristics of the workless within the borough.
3. To gather, analyse and interpret evidence from relevant Council staff and partner organisations associated with worklessness to support and contextualise existing research.
4. To gather, analyse and interpret evidence from employers within the borough to assess the importance of various barriers to employing Newham's workless.
5. To gather, analyse and interpret evidence from the workless within the borough to assess the importance of various barriers to employing Newham's workless.
6. To identify examples of good practice (from London and elsewhere) with regard to tackling barriers to employment, improving skills, and increasing aspirations.

7. To identify policies and initiatives to address worklessness within Newham.

## 1.2 The challenge of worklessness

Since the early 1980s there has been a significant growth in the national employment rate which has been driven by increasing numbers of women entering the labour market. This growth has however been geographically uneven, it has also been unevenly distributed across households, with a simultaneous growth in the proportions of households with more than one earner, alongside growth in the proportion which are workless (Gregg and Wadsworth, 2001).

The growing incidence of workless households has been of considerable policy concern. The workless are a diverse group and include:

- **The unemployed** - those who are out of work *and* actively seeking employment.
- **The economically inactive** - a definition which includes students, (early) retired, the long-term sick, carers and those looking after their family/home.

Some studies of worklessness adopt a narrower definition around benefit claiming or eligibility. This has the advantage of excluding the student population, who are engaging in an active investment in their future job prospects, rather than being inactive as a result of their labour market marginalisation (Beatty et al, 2009a). The disadvantage of such an approach however is that benefit claimants are only a partial measure of worklessness, and the definition misses some workless groups, for example partners of benefit claimants and discouraged workers. The definition is also of limited value when analysing local population characteristics from national survey data sources.

There are a number of ways to analyse worklessness including at the individual and community levels (Ritchie et al., 2005). Of particular importance has been understanding the incidence of geographical concentrations of worklessness. There are a number of ways of explaining these concentrations, including:

- **Changes in the nature and location of jobs** – where changes in an area's industrial structure leads to depressed local demand for labour.
- **Residential sorting** – where the housing market 'sorts' the most disadvantaged groups into the same areas by virtue of segregation according to individual's capacity to pay for housing, and by the geography and allocation policies of social housing.
- **Area effects** – are the reduction in the chance of finding work by nature of where people live which can perpetuate worklessness. These include:

- *Place effects*: arising from the characteristics of place, such as location, poor infrastructure, lack of transport, competition for limited job/training opportunities or variations in the quality of local services.
- *People effects*: these relate to the damaging effect of living in areas with many other workless people, and include, for example, receiving more limited information about jobs as a result of social networks, and being subject to 'area-based discrimination by some employers'.

(Social Exclusion Unit, 2004)

Areas with concentrations of worklessness tend to have high proportions of the population with no qualifications and/or with health limitations, have higher proportions of Black and Minority Ethnic (BAME) groups, large numbers of unpaid carers, and very low levels of self-employment (Social Exclusion Unit 2004).

At the individual level the propensity to be out of work is influenced by a range of factors including age, family structure, health impairment, skill level, ethnic group and local labour demand, and is raised by the 'additive effects' of combinations of disadvantage, which increases the cumulative risk of non-employment (Berthoud, 2003).

There are a number of possible interventions to address worklessness, including enhanced support with job search, provision of job subsidies, provision of training places, intermediate labour market schemes, and direct job creation (Meadows, 2006a). All of these have strengths and weaknesses in terms of their overall effectiveness and cost efficiency. The mix of suitable interventions will also vary by workless group.

### 1.2.1 Worklessness in London

Despite the fact that employment growth in London has led the country over the last decade, population growth has kept pace and at present only the North East of England and Northern Ireland have lower employment rates than the capital. Much of London's relatively low employment rate is the result of 'people effects', specifically London's larger than average population of BAME groups and lone parents, two groups at disproportionate risk of worklessness (Meadows, 2006b). However inner London residents' comparably poor employment performance is also exacerbated by independent 'place effects' (see HM Treasury, 2007). The capital's unique 'pull' factors as a city and a labour market attract large numbers of migrant workers which increases competition for entry-level jobs. In addition, the nature of London's transport infrastructure, information structures and employment distribution encourages job search in the heart of city. This

encourages low-skilled in-commuting from outer-London and the South East which adds to the congestion for entry-level jobs in the centre.

### 1.3 The policy context

The Houghton *Tackling Worklessness Review* (2007) makes clear the important contribution which local authorities will make to addressing worklessness by providing local worklessness assessments, and by working with partners to align employment and skills plans and budgets.

At a national level there have been several key policy innovations aimed at addressing worklessness. These relate to both changes in the benefit system, as well as policy aimed at improving the employability of workless groups. Recent changes to the benefit system include:

- The introduction of Pathways to Work and the roll-out of the new Employment Support Allowance (ESA) with the aim of reducing the numbers on sickness benefits by one million by 2016 (DWP, 2008). Pathways to Work introduced a requirement for new claimants to attend Work Focused Interviews (WFIs) with a personal advisor, while the introduction of ESA has involved a number of important changes to the previous incapacity regime, including a more stringent medical assessment test (the Work Capability Assessment).
- The age of the youngest child which determines eligibility for Income Support as a lone parent has been progressively reduced from 16 to 10 (and will be reduced to seven in October 2010).

Other policy changes have emphasised the need to better integrate services to address worklessness:

- The 2006 Leitch Review of Skills recommended that a more integrated system of employment and skills support be developed. The command paper *'Opportunity, Employment and Progression: making skills work'* set out the ambition to achieve of an Integrated Employment and Skills (IES) service which would provide all Jobcentre Plus customers with the opportunity to be referred to a Skills Health Check, from 2010/11 onwards (DWP, 2007).
- The Hills Report (2007) into Social Housing in England highlighted the increasing concentration of workless people within the tenure. By 2006 fewer than half of all working age social tenants were in employment, and nearly a third of the country's 9.1 million workless people were in social housing. The report called for an increased role for social landlords in local employment and skills programmes.

## 1.4 Structure of analysis

The analysis in this report is structured around different types of barriers to work. Drawing on the framework outlined in North et al. (2004) and Sanderson (2006), barriers to work are discussed using three main sets of explanatory factors:

- **Demand-side factors:** at the macro level this relates to the volume and type of jobs available locally, and to changes in the employment structure as a result of structural or cyclical shifts in the labour market; at the micro level, it is the characteristics of employers, their attitudes and perceptions about different groups of workers, and their recruitment practices.
- **Supply-side factors:** are processes that 'operate at the individual and household/ family levels to segment the labour force' (Sanderson, 2006). They are the factors that will influence how individuals respond to the available job opportunities, and include skills and educational attainment, caring responsibilities, work history, and attitudes towards work.
- **Institutional factors:** derive from government (central and local) policies and mediate the interaction between supply and demand. These include the public employment service (Jobcentre Plus), which has a central role in job matching, and the benefits system, as well as the local housing market and transport infrastructure.

## 1.5 Methodology

The research involved several overlapping strands of data collection and analysis.

### 1.5.1 Literature review

A literature review was undertaken to identify and assess the evidence for the drivers of worklessness and of the importance of various barriers to employment for workless groups. This involved drawing on the Institute's existing library of reports into worklessness; recommendations of relevant local documents and reports from the project steering group; and an additional literature trawl. The literature trawl was carried out using a matrix of terms encompassing different types of barriers individuals face in accessing work, the different types of support that may be available, and good practice examples for supporting workless people into employment. Articles of most relevance to the research were then fully reviewed and their findings recorded using a proforma.

### 1.5.2 Secondary data analysis

Secondary datasets have been used to provide an overview of the scale, and some of the characteristics, of worklessness locally. The datasets used include:

- **The Annual Population Survey (APS)**- combines the results of the Labour Force Survey (LFS) to provide more robust sub-regional data. The data is used to examine the scale and characteristics of the workless within the borough.
- **The Annual Business Inquiry (ABI)** - is a business survey which collects employment and financial information from businesses on the Office for National Statistics (ONS) Inter-Departmental Business Register (IDBR) across the UK. It is used to present evidence on local aggregate demand for labour, and to provide sectoral analysis of the local economy.
- **DWP benefits data** – is used to provide further evidence of worklessness, including type of benefit claim and duration of claims.
- **Census of Population** – where more up-to-date measures are not available some analysis of Census data has been used.

### 1.5.3 Qualitative fieldwork

Qualitative semi-structured interviews were undertaken with a range of informants to discuss the reasons for worklessness locally, the supply, demand and institutional barriers which individuals face in accessing employment, and the local provision which exists to address these needs. In this phase of the research interviews were undertaken with:

- **Partners/ stakeholders** – interviews were carried out with 19 local organisations. These ranged from statutory agencies tasked with addressing worklessness locally (including representatives from Jobcentre Plus and the Local Authority); providers offering support and training to particular workless groups; registered social landlords, and, community based groups offering employability support in local community settings.
- **Workless individuals** – interviews were carried out with 21 local residents who were out of work. These interviews were particularly concentrated on those who had been out of the labour market for a prolonged period.
- **Employers** - five employers were interviewed to provide information on their perceptions of the working age population in Newham, how they recruit and barriers to recruiting inactive/workless people, these included employers in the



public and private sectors and in a range of industries including construction, retail and transport<sup>1</sup>.

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<sup>1</sup> It was planned to interview around 20 employers for the research. Sampling from a list of around 35 employers from different sectors in the Newham economy there were significant difficulties in making contacts with some employers and securing the participation of others to be involved in the research.

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## 2 Employment and Worklessness in Newham

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This chapter explores the scale and characteristics of worklessness in the borough drawing primarily on secondary data. Figures are drawn mainly from the Annual Population Survey (APS) for July 2008 to June 2009, the most recent data available at the time of analysis. The data are provided for the working age population – 16-64 for men and 16-59 for women – and comparisons are made with London and Great Britain to place Newham’s experience in the wider context. The analysis of secondary data is followed by a discussion of the drivers of the observed patterns, drawing on insights from the qualitative research.

### 2.1 Employment

Newham’s working age population is characterised by its low employment rate, above average rate of unemployment, and high levels of economic inactivity. Table 2.1 provides an initial overview of the scale of worklessness in Newham, and shows that 72,100 working age residents are estimated to be without employment, some 44 per cent of the working age population.

**Table 2.1: Working age employment, unemployment and inactivity - Newham**

	Males	Females	Total
In employment	56,800	35,600	92,400
Workless			
Unemployed	9,200	5,800	15,000
Inactive <sup>2</sup>	20,700	36,400	57,100
<b>Total working age population</b>	<b>86,700</b>	<b>77,800</b>	<b>164,500</b>

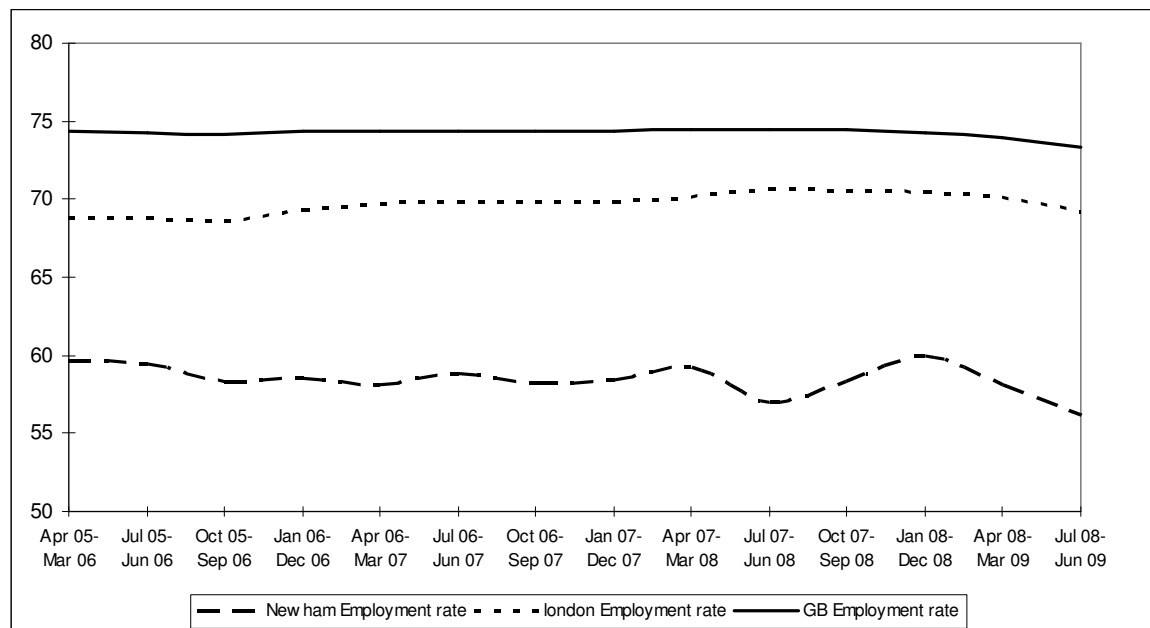
*Source: Annual Population Survey, July 2008-June 2009*

The overall employment rate<sup>3</sup> in Newham in 2009 was just 56.2 per cent; very significantly below that of London (69.2 per cent) and Great Britain (73.3), with a gap of minus 13 and minus 17 percentage points respectively. Figure 2.1 plots the employment rates in Newham, London and Great Britain from 2005 and 2009. It shows that low labour market participation is a consistent trend in the borough, and that there has been little progress in closing the employment gap with London in recent years, as total employment growth and population growth in Newham have broadly kept pace.

<sup>2</sup> This figure counts all who are economically inactive and so includes students. It is not possible to accurately assess student numbers from the APS but at the time of the last Census (in 2001) there were 15,900 economically inactive students. This number is likely to have risen in recent years. The rate of economically inactive students as a proportion of the working age population was higher in Newham than London, at 10.3 per cent and 7.4 per cent respectively

<sup>3</sup> The employment rate is the percentage of the working age population in employment either as an employee or self-employed.

**Figure 2.1: Working age employment rates- Newham, London and Great Britain, 2005-2009**



Source: Annual Population Survey: various years

At the current rate of difference, and the current population level, it is estimated that in excess of an additional 10,000 individuals from unemployed and inactive groups would need to move into employment to halve the gap in the employment rate between Newham and London<sup>4</sup> (Table 2.2). This figure represents almost a seventh of the borough’s workless population, and is more than the entire stock of the current claimant unemployed in Newham.

**Table 2.2: Estimates of the growth in employment required to close the gap with London**

Current number in employment	Number into employment to half the gap with London	Number into employment to reach London average
92,400	+ 10,700	+ 21,400

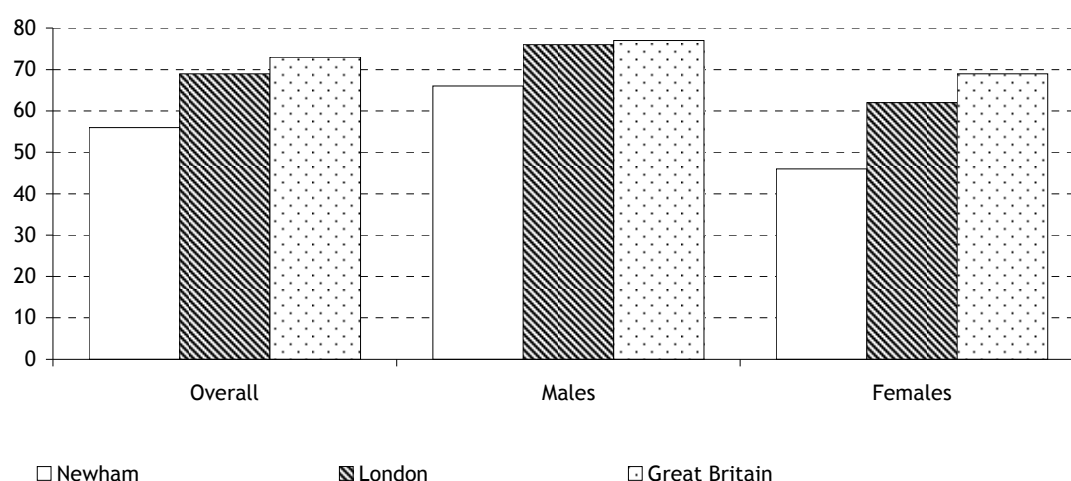
Estimates based on Annual Population Survey, July 2008-June 2009

<sup>4</sup> When adjusting for the confidence intervals associated with the employment rate measure the true number required to half the gap lies +/- 3,100 of the table estimate, i.e. between 7,600 and 13,800

### 2.1.1 Characteristics of low employment

Within the general pattern of low levels of overall employment, Newham also has a more clearly gendered trend of employment activity, with low employment in the borough relatively heavily skewed towards women (Figure 2.2). In Newham there is a gap of 20 percentage points between male (65.6 per cent) and female (45.8) employment rates. This compares with a gap in Great Britain of minus 7 percentage points, and in London of minus 14 percentage points. The employment rate for women in Newham is some 16 percentage points behind that of London. It should also be noted however that the employment rate for men is also well below the London average, by 10 percentage points.

**Figure 2.2: Working age employment rate by gender - Newham, London, and Great Britain**



*Source: Annual Population Survey, July 2008-June 2009*

Table 2.3 gives the employment rate according to ethnicity and shows that the likelihood of being in employment is significantly lower for BAME groups across London and Great Britain. However, for those living in Newham, and from a BAME group, this pattern is even more pronounced. In London and Great Britain the employment rate of white population is around 75 per cent, and for BAME groups it is around 59 per cent. In Newham the employment rate of the white population is just over 70 per cent, while the employment rate for BAME groups is just under 49 per cent. This means that an estimated 55,000 people of working age and from BAME backgrounds in Newham are not working.

**Table 2.3: Working age employment rate by ethnicity - Newham, London, and Great Britain**

	Newham	London	Great Britain
White	70.1 (CI=9.6)	75.2 (CI=1.3)	75.2 (CI=0.3)
Ethnic minority	48.8 (CI=7.6)	58.7 (CI=1.9)	59.3 (CI=1.1)

*The power of the APS estimates reduces for small groups of the population. Therefore in some of the tables and figures where the sample sizes of the variable are relatively small the Confidence Intervals associated with the variable are also indicated - the range values of for this table are provided in the footnote<sup>5</sup>.*

Source: Annual Population Survey, July 2008-June 2009

The explanation for the differences in the employment rate according to ethnicity between London and Newham is likely to relate to two factors. Firstly, Newham has proportionally larger populations of BAME groups who are at greatest risk of being out of work. In particular, the borough has large Black African, Pakistani and Bangladeshi groups compared to the rest of London (Table 2.4). These are groups which are known to fare poorly in the labour market, and women in these groups particularly so (Li and Heath, 2007). Secondly, as detailed subsequently, Newham appears to have particularly high flows of new immigrants, for whom there is likely to be some time lag before moving into employment.

**Table 2.4: Estimates of selected BAME groups as proportion of the total population - Newham and London, 2006**

	White	Black or Black British			Asian or Asian British			
		Caribbean	African	Other Black	Indian	Pakistani	Bangladeshi	Other Asian
Newham	32.1	7.0	15.2	3.1	12.1	10.1	10.1	4.5
London	67.5	4.8	6.0	2.6	6.6	2.3	2.4	3.0

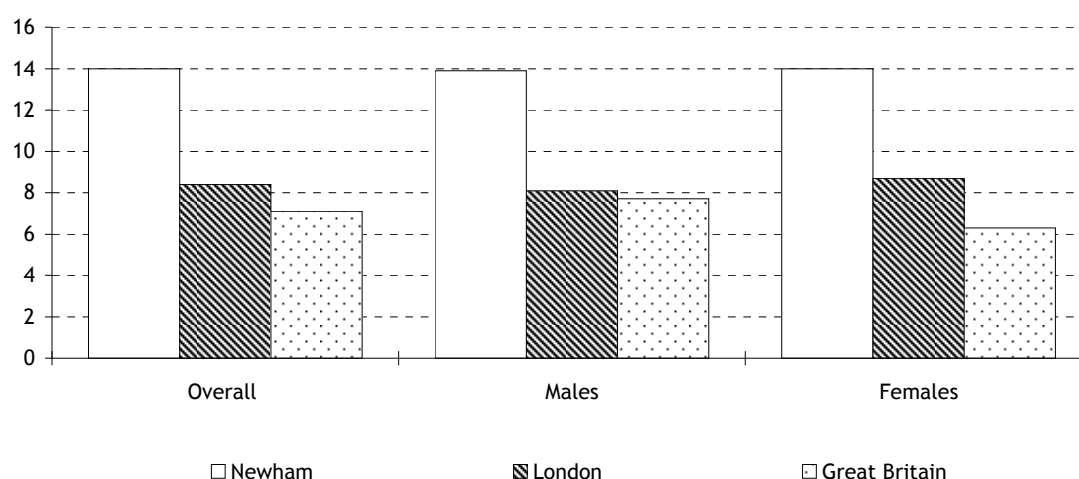
Source: GLA Ethnic Group Projections 2008 Round, London Plan, Greater London Authority 2010

<sup>5</sup> Table 2.3 presents the broad group estimates together with 95 per cent confidence intervals (CI). The table shows how the reliability of the estimates weakens in Newham due to smaller numbers in the sample than in London and Great Britain. Thus, the real estimates of the employment rate for the white working age population living in Newham falls between 60.5 and 79.7; and, the real estimates for people from ethnic minorities falls between 41.2 and 56.4.

## 2.2 Unemployment

Unemployment is defined in the APS using the International Labor Organisation (ILO) definition which counts anyone who is out of work, is available to start work in the next two weeks, and, has looked for work in the last four weeks. The overall unemployment rate in Newham is 14 per cent of the working age population, approximately 15,000 people<sup>6</sup>. Around 2,000 of this figure is likely to be cyclical unemployment as a result of the economic recession<sup>7</sup>. Newham's unemployment rate is approximately double that for Great Britain (7.1 per cent), and is 5.6 percentage points higher than in London (8.4 per cent) (Figure 2.3).

**Figure 2.3: Working age unemployment rate by gender - Newham, London and Great Britain**



*Source: Annual Population Survey, July 2008-June 2009*

The APS does not allow for further accurate disaggregation of unemployment data, however some insight into the characteristics of the unemployed can be gained using the claimant count data. The claimant count is the number of people claiming unemployment benefits or national insurance credits for being unemployed. Table 2.5 gives the claimant count by BAME group. The figures

<sup>6</sup> The APS figures for unemployment in Newham appear overall to be very marginally high when compared to the model based estimates for the same time period, in which the unemployment rate for Newham which stood at 13,900 (+/- 2,400), for July 2008 to June 2009, with an unemployment rate of 12.6 (+/- 2.2) per cent. The model based estimates are calculated using a statistical model which uses claimant count data to improve the accuracy of APS estimates. They are available as a headline count only.

<sup>7</sup> Estimated from APS

show that high levels of unemployment are broadly spread, with relatively high levels among the 'white' population, as well as among the 'black and black British' and 'Asian or Asian British' populations.

**Table 2.5: Claimant unemployment by broad BAME group - Newham, March 2010**

Ethnicity	Total	%	Aged 18-24	%	Aged 25-49	%	Aged 50+	%
"White"	2,725	26.7	635	23.7	1,625	26.2	460	34.7
"Mixed"	420	4.1	180	6.7	215	3.5	25	1.9
"Asian or Asian British"	2,755	27.0	845	31.5	1,545	24.9	365	27.5
"Black or Black British"	2,890	28.3	650	24.3	1,930	31.2	305	23.0
"Chinese or Other Ethnic Group"	470	4.6	105	3.9	300	4.8	65	4.9
"Prefer not to say"	725	7.1	195	7.3	445	7.2	85	6.4
"Unknown"	230	2.3	70	2.6	135	2.2	20	1.5
<b>Total</b>	<b>10,215</b>		<b>2,680</b>		<b>6,195</b>		<b>1,325</b>	

Source: Claimant Count via Nomis<sup>8</sup>

## 2.3 Inactivity

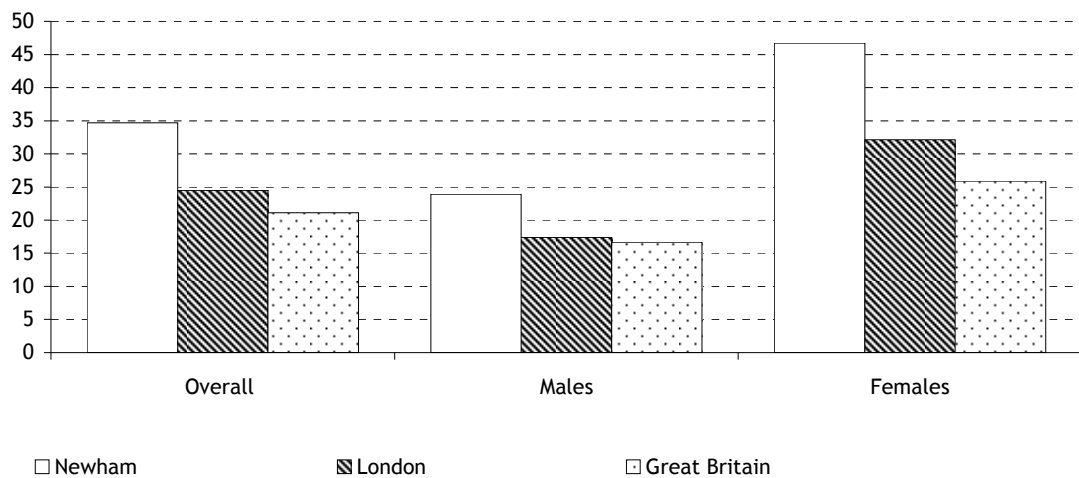
The inactivity rate refers to the percentage of people of working age who are economically inactive. There are a number of reasons why people are inactive: they may have caring responsibilities; be sick or disabled; have taken early retirement; or be in full-time education.

More than one-third (34.7 per cent) of Newham's working age population are inactive (Figure 2.4). This compares with less than one in four people in London (24.5 per cent); and, just above one in five in Great Britain (21.1 per cent). In Newham almost half (46.7 per cent) of the working age female population is inactive. This compares with a female inactivity rate of 32.1 per cent in London, and, 25.9 per cent in Great Britain. For men the gap is less pronounced but still significant.

<sup>8</sup> NOMIS is an online resource funded by the Office for National Statistics (ONS) which provides access to UK labour market statistics from official sources.

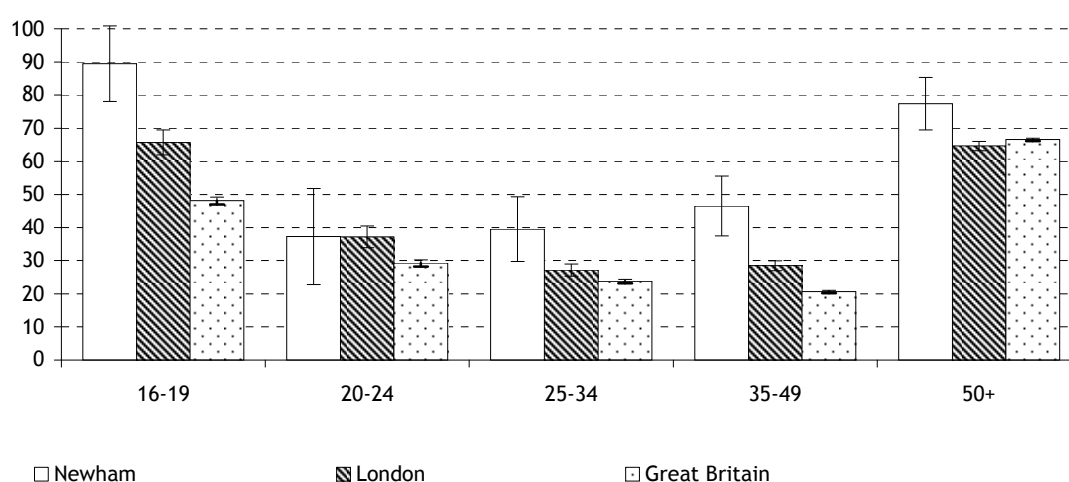


**Figure 2.4: Working age inactivity rate by gender - Newham, London and Great Britain**



*Source: Annual Population Survey, July 2008-June 2009*

Figure 2.5 provides the female inactivity rate by age. Although the large confidence intervals for Newham mean these figures need to be used with caution, it is noteworthy that the youngest group 16-24 has a striking higher inactivity rate (89.5 per cent) compared with Great Britain (48.1 per cent) and London (65.7 per cent). While some of this difference will be attributable to Newham’s large student population that alone cannot fully explain the gap. Women between 35 and 49 years old are also much more likely to be out of work in Newham (46.5 per cent) compared with Great Britain (20.6 per cent) and London (28.4 per cent). Nearly one in two women aged between 35 and 49 in Newham are out of the labour market whereas in Great Britain this proportion is one in five.

**Figure 2.5: Working age inactivity for women by age - Newham, London and Great Britain<sup>9</sup>**

Source: Annual Population Survey, July 2008-June 2009

Further analysis of inactivity among women according to different BAME groups is not possible from the APS because of the sample size. However Table 2.6 reproduces some data from the 2001 Census which shows the very high inactivity associated with Pakistani and Bangladeshi women, reaching in excess of three-quarters of those over the age of 25.

**Table 2.6 Economic inactivity for selected BAME groups - Newham, 2001**

	Males 16-24	Males 25 and over	Females 16-24	Females 25 and over
All	42.27	28.68	51.69	50.44
White - British	28.51	32.22	39.44	49.99
Asian - Pakistani	50.39	30.06	62.36	76.84
Asian - Bangladeshi	46.33	29.84	64.24	82.54

Source: Census of Population, 2001

## 2.4 Benefit claiming

Not surprisingly Newham has high rates of out-of-work benefit claims compared to London and national averages. Some 18.6 per cent of Newham's population (30,810) claim an out-of-work benefit compared to less than 14 per cent in London and nationally (see Tables 2.7 and 2.8) This difference is spread across a range of

<sup>9</sup> Columns include confidence intervals

benefits - Newham has unemployment claims which are well above the London average (plus 1.6 percentage points), as well as lone parent and sickness benefit claims which are also in excess of the capital's average (by 1.2 and 1.7 percentage points respectively).

**Table 2.7: Number of claimants by claim group - Newham, August 2009**

	Male	Female	Total
Job seekers	6,790	3,040	9,820
ESA and incapacity benefits	7,550	5,600	13,150
Lone parent	250	6,210	6,460
Others on income related benefit	800	570	1,370
<b>Total out-of-work benefits</b>	<b>15,390</b>	<b>15,420</b>	<b>30,810</b>

Source: DWP via Nomis

**Table 2.8: Out-of-work benefit claimants by claim group as a proportion of the working age population - Newham and London, August 2009**

	Newham			London		
	Male	Female	Total	Male	Female	Total
Job seeker	7.8	3.9	5.9	5.4	3.0	4.3
ESA and incapacity benefits	8.6	7.2	7.9	6.8	5.5	6.2
Lone parent	0.3	7.9	3.9	0.2	5.5	2.7
Others on income related benefit	0.9	0.7	0.8	0.8	0.4	0.6
<b>Total out-of-work benefits</b>	<b>17.6</b>	<b>19.7</b>	<b>18.6</b>	<b>13.2</b>	<b>14.3</b>	<b>13.7</b>

Source: DWP via Nomis

Generally speaking, and mirroring national trends, for much of the last decade benefit claiming in the borough has been slowly coming down (see full benefit trend graphs in Appendix I). However in the last 18 months claimant unemployment in Newham, as elsewhere in the country, has risen significantly, growing by more than 3,000 and reaching a level not seen for a decade. This growth is now beginning to feed into longer-term unemployment, with 1,660 claimants out of work for more than 12 months, the highest number since 2001. While previous research has suggested that recession-related unemployment can be 'hyper-cyclical' for some BAME groups, so that they feel the impacts of recession disproportionately (see Mason, 2003), this does not yet appear to be the case in Newham, where, broadly speaking, the impacts have been evenly distributed across BAME groups up to this point (Figure I.3).

In common with the claimant count, over the last decade, the overall number of claimants of Incapacity Benefit/Employment Support Allowance in the borough had begun to fall, although the patterns were somewhat different for men and women; male claims for these benefits have been falling consistently, particularly over the last five years, while rates for women rose in the early part of the decade and then stayed broadly stable. This mirrors the national trend where a combination of macroeconomic growth and policy interventions (has stemmed the growth in sickness claims (Beatty et al. 2009b). This broadly positive trend is though tempered by the fact that long-term receipt of sickness benefits has continued to rise, with almost 8,000 of the borough's claimants on the benefit for more than five years. Attachment to the labour market among sickness benefit claimants is known to diminish over time, and recent estimates suggest that relatively small numbers of these claimants will feel they are likely to return to work (Beatty et al., 2009c).

Recent changes to the sickness benefits system mean that over the next few years all current Incapacity Benefit (IB) claimants will be reassessed under the new Employment Support Allowance (ESA) Work Capability Assessment (WCA) medical. Given the high failure rate of the WCA among new claimants we can expect that fairly large numbers of stock IB claimants will be found fit for work and disallowed from the benefit (Sissons, 2009). The current failure rate of the WCA is around 68 per cent (DWP 2010)<sup>10</sup>, though it is unlikely that the failure rate of migrated IB claimants would be as high given that they have already demonstrated a degree of ill-health sufficient to satisfy the old Personal Capability Assessment Medical, and because of the negative health impacts associated with long periods on benefits. Some of those disallowed will go on to claim Jobseeker's Allowance, however there will also be a proportion of this group, who by virtue of their household income level, and lack of qualifying National Insurance contributions, will not have this entitlement.

## 2.5 Labour market attachment

Of central importance in tackling worklessness is drawing people into employment from groups who are economically inactive. A key measure in assessing the potential for moving inactive groups into employment is whether they feel they would like to work. The inactive in Newham appear to be less engaged than elsewhere (Figure 2.6). In Newham less than one in five inactive people (16.4 per cent) of working age say they would like a job compared one in

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<sup>10</sup> Figure to the end of February 2009

four (25.7 per cent) in London and Great Britain (26.4 per cent). Of those who are inactive and would like work the reasons for not seeking work are reported in the APS as being mainly looking after family and home or being a student<sup>11</sup>.

**Figure 2.6: Per cent of the working age economically inactive who would like to work by gender - Newham, London and Great Britain**



*Source: Annual Population Survey, June 2008- July 2009*

If we add together the number of inactive people who would like work, and those who are unemployed according to the ILO definition, there are estimated to be around 23,000 individuals of working age in Newham who would like to move into employment (Table 2.9).

**Table 2.9: Estimate of those not working who want a job in Newham**

ILO unemployed	13,900 <sup>12</sup>
Inactive would like work	9,300
<b>Total who want employment</b>	<b>23,200</b>

*Source: Annual Population Survey; ONS model-based estimates of unemployment*

<sup>11</sup> The figures are not reported because of their very wide confidence intervals

<sup>12</sup> Figure uses the ONS model-based estimates of unemployment which are a more reliable headline count than the APS data

### 2.5.1 Those who have never worked

The APS does not allow for an analysis of unemployment durations; however, the Census does allow for some investigation of the characteristics of those who have never worked.

Tables 2-10 and 2-11 present the proportion of Newham's population who have never been employed, and the distribution of this group by age bands. Table 2-10 shows that at the time of the last Census Newham had a very high percentage of the working age population who have never worked (11 per cent). This figure is more than double the corresponding percentage for London (5 per cent).

Differences by gender show an even more significant gap. In Newham 17 per cent of women had never worked, which is almost three times the proportion for London (6 per cent).

Looking at the distribution by age of those who have never worked, women in Newham in particular are, in comparison to London, much more likely to be in their prime working age years, between 25 and 49, and never have experienced employment. The Census also provides figures of those who have never worked by ethnicity and show that some 50 per cent of Bangladeshi women and 43 per cent of Pakistani women in Newham had never worked.

**Table 2-10 Proportion of the population (aged 16-74) who have never worked by age- Newham and London, 2001<sup>13</sup>**

	Newham			London		
	Males %	Females %	Total %	Males %	Females %	Total %
Total population never worked	4,483	14,868	19,351	68,173	178,519	246,692
% of population who have never worked	5	17	11	3	6	5

Source: Census of Population, 2001

<sup>13</sup> Figures exclude economically inactive students

**Table 2-11 Percentage of the population who have never worked by age band- Newham and London, 2001<sup>14</sup>**

Age	Newham		London	
	Males %	Females %	Males %	Females %
16-19	53	52	45	43
20-24	16	25	12	14
25-34	8	22	4	8
35-49	5	21	3	8
50-59		18		7
50-64	4	-	2	-

## 2.6 Drivers of worklessness

The interviews with stakeholders suggest that the drivers of the high rates of worklessness in Newham stem primarily from the characteristics of the local population, although it was also felt that labour market disadvantage was reinforced by the level of competition for entry-level jobs which also exists.

More generally it was felt that the population characteristics that explain Newham's worklessness were the result of a combination of historical economic, social, and migratory trends, and of the contemporary population flows which impact on the borough. The multiple (causal) explanations for worklessness led some strategic stakeholders to interpret worklessness in the borough as being more diverse in its characteristics and groups affected than that experienced in other inner London boroughs.

### 2.6.1 The characteristics of the established population in Newham

The characteristics of the borough's established population are in themselves an important explanation for the high levels of worklessness. Newham has significantly larger proportions of the population who are in a group at greater risk of worklessness. This includes higher numbers of BAME groups, lone parents, and those in poor health. Newham also has a higher proportion of the population living in Council or socially rented accommodation, something also correlated with higher levels of worklessness.

<sup>14</sup> Table 2-11 includes economically inactive students as the variable based on the narrower definition, which excludes this group, does not allow the distribution of never worked by age to be shown.

In addition to population effects, a range of stakeholders, at both strategic and community levels, also indicated that longer-term economic changes had driven the development of some in-situ worklessness in Newham. These changes stem back to dock closures and the loss of manual employment. It was reported that this was now manifested in inter-generational worklessness within families which was perceived to be a problem in parts of the Borough, for example Canning Town. For some this could now be ascribed to a culture of worklessness, where benefits are seen as a credible alternative to formal employment.

### 2.6.2 Population turnover and migration in Newham

Another driver of worklessness in Newham is the level of population turnover, and particularly in-migration from abroad. Strategic level interviews highlighted the importance of local housing markets; as a result of the type of housing available locally it was noted that the borough tends to 'import' worklessness from both elsewhere in the country and particularly from abroad.

Migrant groups are a very heterogeneous population, ranging from those arriving on the Highly Skilled Migrant Programme to those with far more pronounced barriers to work (Policy Research Institute, 2007). Stakeholders reported that the availability of low-end private rented sector units and temporary and hostel accommodation made the area more open to population churn and to in-migration from groups at greatest risk of worklessness, including lower skilled migrant groups<sup>15</sup>.

Analysis undertaken by the GLA of London's migration patterns between 2001 and 2006 showed that population turnover rates in Newham from internal migration flows is at around the average of the London borough's. However, analysis also shows that net international migration flows are significantly higher into Newham than many other parts of the capital.

### 2.6.3 Typology of worklessness within Newham

The interviews suggested that there is a broad typology of worklessness which can be applied to Newham, although there is clearly some degree of interaction between these, particularly over time:

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<sup>15</sup> It has been estimated that around eight per cent of Newham's population are refugees (Dixon et al., 2006).



- **Worklessness which is the result of economic change** – this form of worklessness tends to be the result of relatively typical urban problems. As economic and social change, including the decline of industrial employment, served to create areas of high unemployment, which in turn produced negative area effects which perpetuate high levels of non-working. It is characterised by its concentration in social housing, families who have experienced inter-generational worklessness, younger jobseekers, lone parents, and those on sickness benefits. The problems faced tend to include poor qualification and skills, ill-health, perceptions of a benefits trap, and extended periods out of work.
- **Cultural worklessness** - is most pronounced among Asian women. It was reported that this group is typified by the prioritisation of family and home life over employment; they are likely to either not want to work, or want to work on such a restrictive basis that it makes employment unlikely. It was also noted in interviews that there can be language barriers among this group. Importantly there is some evidence to suggest the diminishing nature of this barrier over generations<sup>16</sup>.
- **Importing worklessness** – occurs as a result of the relatively open housing market. Immigration flows add new groups with barriers to work. It can take a relatively long time for migrants to assimilate, to learn the language, and to understand how job search and job application mechanisms work. This is not a new phenomena in Newham but the ongoing nature of the flows means that the group tends not to diminish in size.

The different reasons for worklessness and the associated barriers to work suggest very different support needs. The nature and needs of these barriers is now explored in the following chapters.

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<sup>16</sup> Tackey et al. (2006) found in their analysis of barriers to work among Pakistanis and Bangladeshis that among younger women, particularly Bangladeshis, views around work were more positive.

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## 3 Barriers to work in Newham: the local labour market

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In this chapter we explore some of the demand-side factors associated with worklessness in Newham. We draw on survey data from the Annual Business Inquiry, the literature review and interviews with employers and key stakeholders.

### 3.1 Local demand for labour

Overall very local demand for employment in Newham is relatively depressed when compared to other boroughs. Table 3.1 provides figures for the job densities across London and among the five Olympic host boroughs. Job densities are the number of jobs within an area as a proportion of the working age population. It shows that Newham, along with Waltham Forest, have local demand significantly below that of other boroughs relative to their populations, in fact these two boroughs have the lowest job densities of any London borough. Of course the nature of the London labour market, with a strong geographical concentration of jobs in particular areas, and large commuting flows in and around the capital, means this is not necessarily problematic. However, where local residents are not able, or not willing, to commute, the lack of local jobs is more keenly felt.

**Table 3.1: Job densities in London and selected boroughs, 2008<sup>17</sup>**

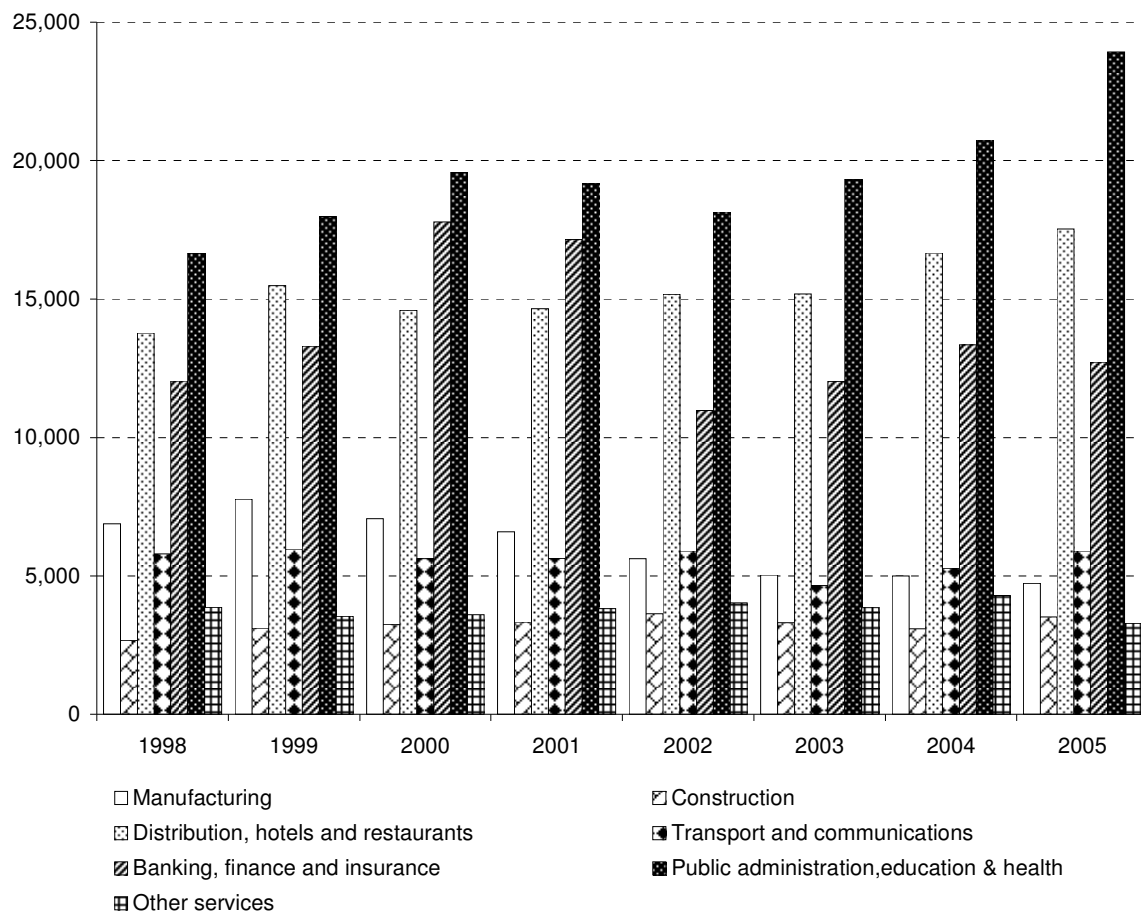
Area	Jobs density
<b>London</b>	<b>0.94</b>
Greenwich	0.56
Hackney	0.67
Newham	0.46
Tower Hamlets	1.40
Waltham Forest	0.46

*Source: ONS*

Employment in Newham is heavily dependent on the public administration, education and health sectors, which have grown in importance in recent years. Figure 3.1 shows a clear pattern of consistent growth in this sector from less than 17,000 jobs in 1998 to almost 24,000 in 2005: in seven years the sector has grown by over 40 per cent. By contrast, jobs in manufacturing have declined noticeably over time and fewer than 5,000 people were engaged in manufacturing-related employment in 2005, down from 7,000 in 1998<sup>18</sup>.

<sup>17</sup> These are the most recent figures available and they will have clearly been impacted to some extent by the economic recession in the period since

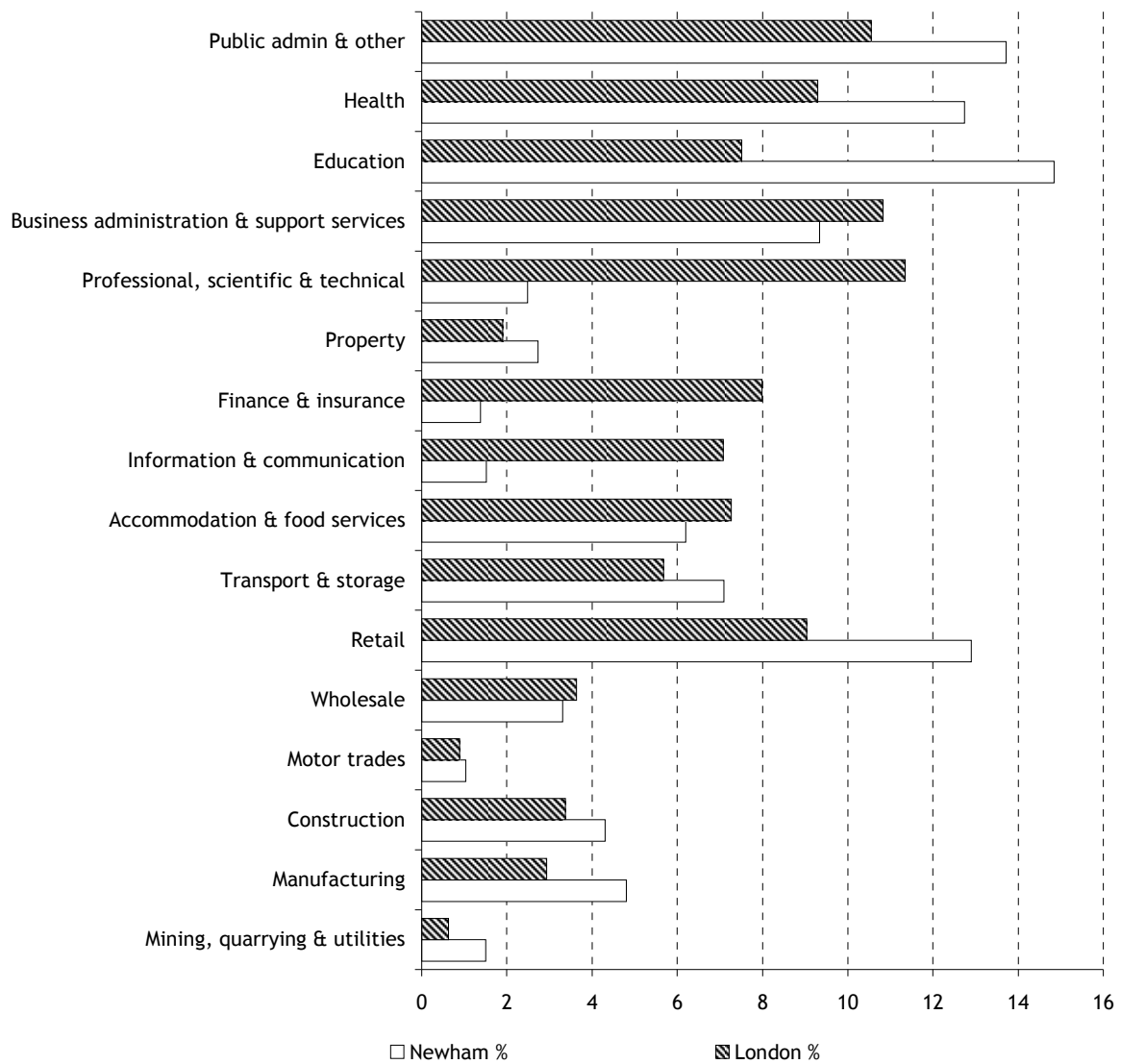
<sup>18</sup> Data after 2006 are not directly comparable with previous years

**Figure 3.1: Number of jobs in Newham by industrial sectors 1998 - 2005**

Source: ABI various years

Figure 3.2 shows the proportion of jobs by industry in Newham and London. The table clearly shows major differences between the two job markets: Newham is skewed towards public administration (14 per cent), health (13 per cent), education (15 per cent) and retail (13 per cent) with high shares of jobs distributed across these sectors. In contrast, when compared with Newham, London has a much higher proportion of professionals and scientific jobs (11 per cent); finance and insurance positions (8 per cent); and information and communication-related employment (7 per cent). Importantly, future economic recovery in the private sector may be offset by job cuts in public sector employment. This may have a relatively greater detrimental effect in Newham, because of the importance of the public sector in the borough. The Olympic Games may however offer significant employment opportunities to local residents and stimulate the local economy, although progress is reported to be slow by stakeholders.

Figure 3.2: Percentages of jobs by industrial sector, Newham and London



Source: ABI 2008

In the literature on worklessness, a lack of jobs is often offered up as the most important barrier to labour market participation: low levels of demand results in high levels of worklessness (for example, Beatty et al. 2009, Francis et al., 2008). Some stakeholders taking part in this research also believed that there was not enough aggregate demand in the borough, although more jobs are coming through as the Olympic Games gathers pace and new retail opportunities open up, for example at Westfield. Entry level jobs are filled very quickly whereas more skilled positions are slower to fill as local residents are less likely to possess the requisite skills. Several stakeholders thought that the borough needed to attract additional entry-level jobs to bring about a better balance in the labour market. Large numbers of jobseekers are only qualified for entry-level positions which therefore puts pressure and congestion on this part of the labour market. Having

said this, a number of stakeholders believed that there was sufficient demand in the local economy; with a reasonable spread of vacancies, and a reasonable amount of flexibility in the labour market and in jobs themselves to provide plenty of opportunities for local people.

One of the key labour market barriers identified in the literature, where jobs and demand exist, is the inflexibility of formal employment to fit in with other responsibilities, and primarily those related to caring (Arksey, 2007), thus making employment an unattractive, or in some cases, impossible option. Arksey noted that carers were often unable to find higher quality jobs that offered flexible working arrangements. Flexibility was more often associated with low-paid and seasonal employment opportunities. Combining work and caring responsibilities is likely to be a particular issue in Newham. As discussed earlier, almost half of the female working age population are inactive and over 6,000 women are claiming lone parent benefits. It is very probable that many of these women would require flexible work opportunities (and appropriate and affordable childcare) to entice them (back) into the labour market.

Stakeholders offered a range of interpretations of how significant the informal economy was locally. A number reported that it was strong in Newham, while others felt it was of little significance. There is little hard data either way to back up the assertions about its size and importance.

Several interviewees cited sectors where informal work tended to be most pronounced, these included some jobs in retail, local factories, cleaning, car maintenance, hairdressing, driving, garment-making and massage and holistic therapies were all thought to offer cash-in-hand employment opportunities. One interviewee did however feel that the level of informal working in some sectors, like garment-making, had fallen markedly in recent years.

Several interviewees suggested that working informally was more prevalent among members of the Asian community, who worked with family and friends, as well as in particular parts of the borough, for example Green Street. Another stakeholder reported that informal working was also observed among claimants of health-related benefits who often attracted high levels of benefits and therefore risked the most moving into relatively lower paid formal employment positions.

### **3.2 Other demand-side barriers**

Other demand-side barriers can include attitudinal barriers whereby employers believe certain things or act in certain ways. The literature suggests that employers are less likely to recruit disabled people as many believe that they are less productive and more likely to be absent from work than non-disabled people (Needels and Schmitz, 2006). This clearly has implications in areas, such as

Newham, with high numbers of disabled people and people claiming incapacity benefits. Other research has shown that employers may also be more reticent to take on people who have been inactive for some time as they believe such individuals lack work-preparedness and are more likely to leave employment at short notice: essentially they make for less committed employees (Newton et al., 2005). This clearly has major implications for claimants in the borough who are inactive, particularly those inactive due to ill-health and disability, many of whom will face additional employer prejudice when looking for work.

Although a supply-side issue per se, the lack of formal recognition of some overseas qualifications by employers and employer bodies can be a barrier at the recruitment stage. The literature demonstrates that refugees are often underemployed, for example, Dixon et al. (2006) notes that qualified medics are working as bus drivers in London because their professional qualifications remain unrecognised in Britain. Moreover, it is likely that refugees and migrants, and other ethnic minorities, albeit possibly with work experience and/or appropriate qualifications, remain even further away from the labour market because of more general employer discrimination.

Studies have shown that employers have concerns about employing Pakistanis and Bangladeshis for religious reasons; because they would take longer to train up for the job; and, for fear that they would not fit in with other workers (Tackey et al. 2006). The 2006 LSC/LDA report on targeting worklessness in London found that employers admitted that although they did not discriminate directly against people from BAME groups, their HR infrastructure was often insufficient to ensure that discrimination did not take place inadvertently. Moreover, in a recent field experiment by Wood et al. (2009), job applications from ethnic minorities were likely to be treated significantly less favourably than applications from white job applicants.

Other forms of discrimination may also be playing out. The GLA's Women in London's Economy report discussed pregnancy discrimination and estimated that over 13,000 women in London are affected in some way each year (for example, dismissal, redundancy, poor treatment resulting in leaving employment, and missing promotion because of pregnancy etc.). It is probable that employers will also be wary of recruiting (young) women because of the likelihood that they will become pregnant in the future.

The literature also shows that employers are less worried about technical skills amongst potential employees, rather they value softer, employability skills and a positive attitude to work. A review of the attributes sought by employers when recruiting unemployed and inactive individuals found that they were much more interested in people who were motivated and flexible, who had a willingness to work and learn, and were confident and well-turned out (Newton et al. 2005).

During this research, interviews with a small number of employers confirmed the findings from the literature review, particularly in relation to the importance of employability skills. One construction company was particularly keen to recruit locally and from those with low skill levels. This employer was looking for people with general employability skills including a willingness to work, a good attitude and respect for others etc.

Another retail company employed mainly low-skilled shop floor workers although they had experienced some difficulties during the recession and recruitment had slowed of late. This employer's experience was that many local residents who have applied for their posts have some lack of skills and/or previous work experience, they also reported that criminal records, and in some cases perceived lack of motivation, acted as barriers to employment. The employer emphasised that if they had a pool of labour to choose from they would pick people with better vocational and employability skills than many of those presenting themselves in the borough. The main attributes that this employer required from new recruits were an interest in the job (and particularly customer service), a good work ethic and reliability: importantly they thought that previous work experience conveyed these attributes most effectively.

Another employer reported that they had some issues with the standard of recruits from Newham, although they were unable to substantiate this claim (and indeed half of their workforce was from Newham). The bulk of the workforce in this example were engaged in entry-level occupations, administration and some supervisory roles, and competition for these jobs was relatively high. There were a few management positions but the company particularly struggled to recruit at this level from the pool of available labour within Newham: their experience was that jobseekers within the borough did not possess the requisite level of skills.

A large employer in the borough who took part in this research uses a variety of recruitment methods to engage staff in semi-skilled occupations, including working with Jobcentre Plus and their partners to recruit people who are unemployed and inactive. This employer does not look for people with particular skills: they train staff once appointed and look instead for strong employability skills including basic skills and a good attitude to work, coupled with a willingness and ability to learn. This employer has a commitment to recruit a certain proportion of its workforce from Newham although they have not yet reached their target (of just over one-third of the workforce). Although they do not find it at all difficult to recruit, they reported some concerns that the quality of job applicants from Newham was lower than that from other boroughs. They thought that the most problematic barriers for Newham jobseekers were poor basic skills and general employability skills: very few Newham candidates passed the Level 1 entry test for numeracy and literacy which was part of the recruitment decision-



making process. Moreover they found that Newham residents tended to have more entrenched (attitudinal) worklessness characteristics such as problems with punctuality, and inappropriate behaviour in the workplace. Again, this employer reported that more Newham residents had criminal records which acted as a significant barrier to employment.

These types of criticisms from employers about the job-readiness and overall quality of local applicants may in part reflect a broader distinction made by employers between individuals from disadvantaged backgrounds and areas, and those from areas of greater relative affluence. Whether that is the case or not, it is clear that a number of the employers interviewed took the view that local workless residents face some significant barriers to employment in terms of their soft, and general employability, skills.

### **3.3 Recruitment practices**

Recruitment practices among the employers interviewed for this research included working closely with Jobcentre Plus and the Workplace programme to sift initial applicants for vacant positions, followed by individual and group interviews with the employer to see how applicants interacted with others. Other employers used more formal routes including submission of CVs and completion of application forms followed by an interview. Advertising on company websites and job search websites was also popular. On-line applications were seen as particularly problematic for long-term unemployed people: they often had no access to IT to complete these application forms and were often unfamiliar with how to do so. Informal recruitment practices amongst employers, such as word-of-mouth, may also disadvantage unemployed people as they often are excluded from the social networks on which such practices are based (Newton et al. 2005). Few employers required formal qualifications for vacant positions although all wanted evidence of good employability skills, which often meant (recent) work experience, or participation in some sort of pre-vocational training.

A couple of employers taking part in this research also had a contractual obligation with the borough to recruit from amongst the local unemployed population in return for help to select and train potential recruits in ESOL etc., which they felt was an effective lever for employer participation. Employers had signed up to these agreements for a number of reasons: local labour was (potentially) more reliable as employees had less distance to travel to get to work and also for corporate social responsibility reasons. This sort of leverage could overcome or ameliorate demand-side barriers and upskill the local population, and the employers concerned thought it should be rolled out more widely.

A number of employers had recruited local long-term unemployed people in the past and were actively engaged in doing so in the future. However, their experiences of previous recruits was not always positive. A couple of employers pointed out that although these employees had started out well, possibly after voluntary work or a temporary work placement, they were often unable to maintain their positions; some had left because of ill-health or because of caring responsibilities, and some had begun to behave inappropriately and disruptively in the workplace, which had resulted in their dismissal. This points to the importance of ongoing in-work support for people who have been out of work for long periods of time.

The employers interviewed seemed to be fairly satisfied with the skills training provision that was available for jobseekers in the local area, although not all of them were engaged in the provision network (one employer taking part in this research had no history of working with Jobcentre Plus or other providers either assisting with recruitment, in LEPs or to offer work placements etc.). However, as discussed nearly all the employers included in this study were less happy with potential candidates' employability skills, which suggests that local provision has some way to go to overcome these softer, but highly important, skills barriers to work.

What is particularly interesting is the lack of consensus on the demand-side barriers to employment: some interviewees report severe job shortages in the borough, many do not; some respondents believe all the local jobs have been taken by recent migrants while others have not mentioned this as an issue; some respondents think there is a significant informal economy, others do not; and some stakeholders believe that employers in Newham discriminate against particular groups (of inactive people) whilst others say there is no evidence for this. There is though, more consensus about the over-riding importance of employability skills, and employers and stakeholders alike have emphasised that the attainment of these skills are key to getting more people into work. Most employers were also satisfied, in the main, with the type and amount of vocational skills training in the borough.

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## 4 Barriers to work in Newham: Population characteristics

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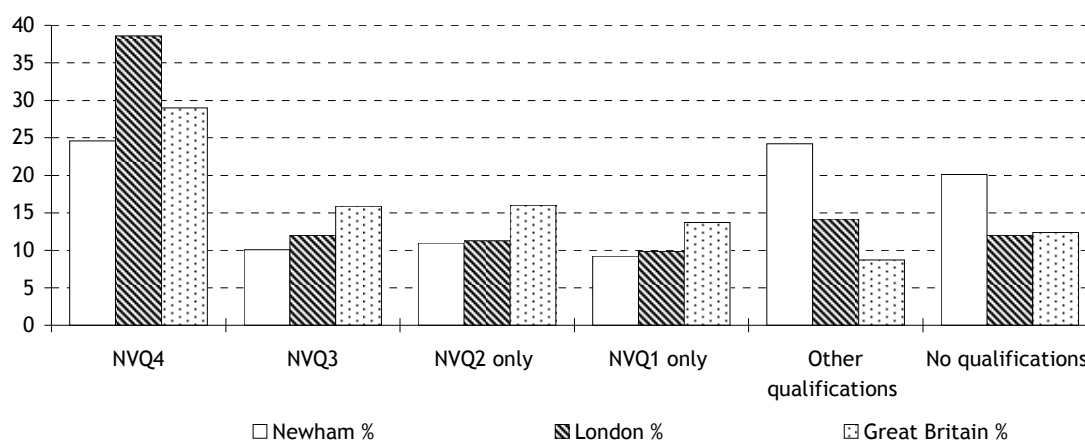
This chapter draws together insights from the literature with the findings from qualitative fieldwork to explore the important supply side barriers to work faced by Newham's workless residents. Broadly speaking these barriers can be explained as either human capital barriers – individual characteristics which make being in employment less likely; or circumstantial barriers – which limit the ability of individuals to take employment. Often these barriers can overlap.

### 4.1 Human capital barriers

#### 4.1.1 Qualifications

Qualifications can be a central determinant of an individual's ability to access employment, with individuals with higher qualifications having higher employment rates, and those with no qualifications being at greater risk of being out of work (Berthoud, 2003). Figure 4.1 shows the qualification levels of Newham residents compared to London and Great Britain. The proportion of people with higher level qualifications (at NVQ4 and equivalent) is much lower in Newham, while the proportion of people with no qualifications (20 per cent) or other qualifications (24 per cent) is much higher in Newham than in London or in Great Britain.

**Figure 4.1: Percentage of working age population by highest qualification level - Newham, London, and Great Britain**



*Source: Annual Population Survey, June 2008- July 2009*

Analysis of above-average levels of joblessness among black, Pakistani, Bangladeshi, Indian and Chinese groups from the mid-1970s until 2005 found that skills were partly behind the difference in worklessness levels between these groups and the white British population. Lower levels of qualifications were found to explain 20 per cent of the employment gap between Pakistani/Bangladeshi and white groups. The pattern of these findings has been echoed by Meadows (2008) and by Tackey et al. (2006), who point out that the lower levels of qualifications among Pakistanis and Bangladeshis is particularly problematic in competitive labour markets like London.

Some stakeholder interviewees reported that low qualification levels in the borough were problematic and that many of their long term unemployed clients did not have any qualifications. However, others expressed concern that too much emphasis on qualifications disguises the need for basic employability skills – consistency, reliability and readiness to learn. It was felt by some that qualifications are more of an issue when it comes to progression rather than accessing work as most of the people they work with would be looking at entry level positions which did not require formal qualifications. Where lack of qualifications do stifle progression and lead to a failure to progress some felt this lead to lower retention and churn.

Two more specific problems related to qualifications were expressed by interviewees, these were:

- Non-recognition of foreign qualifications was thought to be a significant barrier to employment by several stakeholders.

- Certain industries – particularly construction – require a larger number of qualifications. Construction has also become more competitive due to employers favouring applicants with qualifications combined with experience.

In the interviews with workless individuals, a dislike of classroom-based learning – due to bad experiences at school, and feeling that it did not apply to the real world – was evident among some interviewees. These acted as a barrier to further learning and upskilling. Other interviewees had qualifications from other countries which were not useful here, for instance, a British Pakistani woman had a degree from Pakistan which is not recognised in the UK; an interviewee who had trained as a prison officer in Sierra Leone who arrived in Britain as a refugee and now has indefinite leave to remain, also found that her qualification was not recognised.

### 4.1.2 Skills

Basic employability skills were mentioned by several stakeholders as being the most significant barrier to work for many of the people they support. Young people in particular were often seen to lack work-appropriate behaviour, attitudes and inter-personal skills. It was particularly noted that those who have been out of the labour market for some time, or who have never worked, can find it difficult to stick to a routine of going to work, or may not comply with office procedures – for instance, failing to notify their employer when they are sick.

Workless residents often highlighted interview skills as a common concern when accessing work. A lack of ICT skills was also seen to be a barrier by some. It was also clear that some individuals were not fully aware of skills improvements required to help them gain a job, for example, improvements in their spoken language abilities. On the other hand unemployed individuals did not always realise the skills they had to offer, for instance, speaking multiple languages could be a real benefit, but not one which interviewees tended to consider.

### 4.1.3 Language

English language skills were identified as a major issue for Newham. Lack of English language fluency has been found to have a considerable impact on employability – reducing the probability of migrant employment by 20-25 percentage points, according to a study using the Fourth National Survey of Ethnic Minorities (Shields and Wheatley Price, 2001). Different BAME groups and genders tend to have varying levels of English. Male migrants (at 77 per cent) were found to be more likely than women (59 per cent) to be fluent or have ‘fair’ English. The same study found that Chinese and Pakistani individuals and Bangladeshi women tended to have lower standards of English compared to other

migrant groups – particularly Indians, black Caribbeans and African Asians (Shields and Wheatley Price, 2001).

A number of stakeholders commented that persuading people to take up ESOL classes can be a problem. Many people just want to move into employment, their English is at a level which they perceive to be functional, and they do not realise that this may be a factor holding them back.

This belief was reflected in the individual interviews – for instance, one interviewee felt that her reading and writing skills were a disadvantage. However, she felt that she should be able to get a simple job that did not require literacy skills. Another interviewee with imperfect English felt that a job would help her to improve her language skills – which may be a difficult proposition for employers to accept in a competitive market.

#### 4.1.4 Employment history and aspirations

The London labour market is generally very flexible, with unemployment being predominantly frictional rather than structural: the unemployed tend to find work quickly. However, certain groups are more detached from the labour market. Data from the mid 2000s found that only five per cent of those who were not actively seeking work in one quarter were identified as being employed in the following quarter (LSC/ LDA, 2006, p.13). This may in part reflect the psychology of worklessness. The ‘discouraged worker’ hypothesis suggests that job seeking is sometimes reduced when individuals feel that their chance of finding a job within a reasonable length of time is reduced. Periods away from the labour market are associated with lower self-esteem, anxiety and depression. And – while worklessness is generally associated with negative psychological effects and feelings of alienation – in areas with high levels of worklessness being out of work can become habituated and even ‘a basis for personal identity’ (Ritchie et al., 2005, p.9).

Lack of aspiration, motivation and confidence arising from long term unemployment were commonly cited by stakeholders as major barriers – preventing people from taking up training courses, from applying for jobs, and from portraying themselves in the most advantageous light during job interviews. Individuals may adopt the mindset that jobs and training courses are ‘*not for them*’, and this can prevent them from engaging well with services, if they do in fact participate.

Stakeholders identified that there could be particular issues around employment aspirations which were linked to the damaging inter-generational effects of worklessness; whereby parents experiences of being out of work increased the likelihood of poor education attainment and subsequent poverty of aspiration

among their children. Individuals from inter-generational workless households were considered by some stakeholders as often being the least engaged and most difficult to help.

Of the individuals interviewed who had been out of the labour market for over three years, patchy or non-existent previous work experience was the norm, often due to circumstances which themselves made employment difficult, for example spending periods of time abroad. Such patchy employment histories were found to make applying for work very difficult – for instance, references cannot be supplied.

Dealing directly with employers can also be problematic for those out of work for long periods – and, again, this can be particularly difficult for those without experience of the UK labour market. At application stage, migrant and refugee jobseekers are particularly likely to be unaware of how to prepare CVs, of how to write applications, or of interview techniques (Dixon et al., 2006) – although these issues could also affect long term resident jobseekers. In relation to retention, long term unemployed individuals who have newly returned to work can experience problems within the workplace including unrealistic expectations about the job; disagreement over hours of work; and problems with relationships with colleagues and supervisors (Meadows, 2008).

Unemployed interviewees raised some of these issues, especially with regard to the application process. One interviewee had come to the UK in 2000 as a refugee. Since then she has done a short spell of care work, but has mostly been out of work – volunteering and in training. She felt that interviews can be a problem for her – she simply does not know how to answer the questions, and realises that she needs help with her technique at all stages of the application process. This barrier may be reinforced by the fact that English is not her first language – although the interviewee did not raise this as a problem herself. She has also found that a lack of references has been a problem for her.

Reported problems in the workplace were less common in the interviews – partly because many of our interviewees had had very few jobs or had never worked. However, there were reported instances which may have been exacerbated by individuals' lack of awareness of how to resolve workplace conflict – although other factors were clearly at least as important. One interviewee, who was working as a packer on a production line, had been unable to agree shifts which were compatible with his housing arrangements at the time, as he was living in accommodation which required him to have returned by 7:30pm. He had to leave this job as a result. The same individual left his next job as a labourer very soon after starting, due to unpleasant treatment at work. Following that departure in 2006, his only employment has been a temporary seasonal job.

### 4.1.5 Social networks

It has been argued that the damaging 'place effects' of concentrated worklessness can erode individual social capital, in turn making it harder for an individual to move into employment (Ritchie et al., 2005). A key element of this is individuals' social networks which can be of real importance in hearing about, and responding to, employment opportunities (Wilson, 1996). Recent research on job seeking strategies in an area of high unemployment found that personal contacts were rarely used by long-term unemployed people to look for work (Lindsay, 2009), as living in an area of high worklessness can in itself reduce the number of employed people within an individual's social network (Social Exclusion Unit, 2004).

## 4.2 Circumstantial barriers

### 4.2.1 Caring responsibilities and family

Mothers have lower employment rates than women without dependent children (GLA, 2008). Parents often cite lack of childcare as the reason why they cannot work and finding jobs which fit around caring responsibilities can make this even more problematic. The loss of benefits, or fear of loss of benefits, acts as an additional barrier in some cases (NAO, 2007). A number of regional factors act as additional barriers for women in London. Childcare costs are highest in the capital and the South East – with the very highest costs being in inner London. What is more, average hours in London are longer than the average across the UK. (GLA, 2008).

Many of the long-term unemployed individuals we spoke to had been out of the labour market due to care responsibilities for young or disabled children and their caring responsibilities continued to affect the distance they were willing to travel for work. For example, one lone mother felt that the maximum commute for her was one mile each way. Another lone parent mentioned her concerns about the time taken to travel by bus in the local area and across London, due to traffic. Her obligations to her children make it difficult for her to spend too much time travelling for work. More generally the parents who were interviewed were often facing multiple barriers to work including low qualification levels, lack of English, and worries about debt.

For those caring not for young children but for older children or adults, the inflexibility of benefits available to carers tends to discourage many from seeking paid work, particularly those whose caring responsibilities mean they could only take part-time work. The central barrier for those with caring responsibilities is however the lack of jobs which are flexible enough to allow them to combine work and caring (Arksey, 2007)



Newham has 2,360 working age residents claiming Carers Allowance (1.5 per cent of the working age population), the majority of whom are women<sup>19</sup>. It is difficult to estimate how many more people in the borough have more informal caring responsibilities. Stakeholder interviewees did not identify other forms of caring as being a significant barrier, though this may be because such responsibilities can often be hidden. However, a number of the local residents interviewed, did report some caring responsibilities for disabled family members. In several cases interviewees reported having the main responsibility for attending to the care needs of a relative, and that this could be quite time-consuming, particularly in one case where the interviewee also had young children to look after. In such cases these responsibilities are clearly an additional barrier to work.

Both lone parents and those with caring responsibilities are disproportionately more likely to be long-term workless. Some 46 per cent of those claiming Income Support as a lone parent in the borough have been on benefit for more than five years (2,970); and around 40 per cent of Newham's claimants of carers benefit have also been claiming for in excess of five years (1,190).

#### 4.2.2 Cultural barriers

Economic inactivity due to preference is relatively common among certain BAME groups. The proportion of Londoners reporting that they are economically inactive because they do not want a job in 2005 was 48 per cent for the Bangladeshi population; 40 per cent for the Pakistani population and 48 per cent for the Chinese population – this compares to 23.1 per cent of Londoners overall (LSC/LDA, 2006, p.12).

Cultural preferences can create a barrier for women in particular. For instance, it has been found that there is a polarisation of career aspiration among ethnic minority girls, compared to white girls. While some aim high, others have very little wish to ascend the career ladder (Bhavnani et al., 2006). It is common for women in Pakistani and Bangladeshi communities to prioritise, or to be expected to prioritise, family life – and although (especially in the Bangladeshi community) this effect seems to be weakening slightly over time, such attitudes are found across generations (Tackey et al., 2006). Perceived discrimination against people from these groups can also act as a barrier, eroding confidence (Bhavnani et al., 2006).

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<sup>19</sup> DWP Benefits Data November 2009

As described in Chapter 2 the rates of economic inactivity among Bangladeshi and Pakistani women in Newham are extremely high, with significant proportions of these groups having never worked. The stakeholder interviews undertaken suggested that Asian women can be keen to work, but may be under pressure from their families not to – marriage or childcare may be seen as more appropriate pursuits and women may be discouraged from training by their families. For those who do make moves towards work, family members can act as barriers to independence and potentially as barriers to gaining employment – for instance, male family members may attend employability appointments with their female relatives and lead the discussion.

Where Bangladeshi and Pakistani women do want to work one stakeholder felt that often they have a very restricted range of desired jobs – especially wanting to work with children. This means the scope of suitable jobs for some women may also be fairly limited. Another stakeholder felt that individuals may not necessarily see training as a step into work. This attitude was felt to be particularly prevalent among Asian women, who like to have a flexible way to fill their time – perhaps to combine with childcare – but do not necessarily aim for employment.

### 4.2.3 Health

Illness and disability are major contributors to long-term worklessness: Some 59 per cent of those living in the borough and claiming incapacity benefits have been doing so for more than 5 years (7,790), a further 17 per cent have been on the benefit for more than two years<sup>20</sup>. This compares with less than 2 per cent of JSA claimants (140) who have been on the benefit for more than five years. Research has shown that those on sickness benefits for long periods tend to be very detached from the labour market, with significant health problems often combined with a range of other barriers to work like low qualifications and poor confidence (Beatty et al., 2009a; 2009b). For those in work, ill-health can lead to loss of employment – low-paid workers in particular may be laid off rather than moved on to sick pay (Francis et al., 2008).

Health can also create a barrier due to employer discrimination – a stakeholder who deals with a lot of employers reported that requests for five-year checkable employment histories increasingly mean that those who have been claiming sickness benefit (or who have been long term unemployed) can be screened out.

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<sup>20</sup> DWP Working Age Benefits data (August 2009)

Some of our workless interviewees reported that health conditions did restrict the range of jobs which they are able to do – migraines precluded anything too stressful or physical for one interviewee; another worried about travelling too far due to her condition.

#### 4.2.4 Criminal records and debt

There were a number of other barriers which stakeholders reported as being problematic for some workless groups, these included having a criminal record, substance abuse and debt.

Criminal records can form a major barrier to work. Employers in aggregate are less likely to take on those with criminal records (CIPD, 2009). Meanwhile, ex-offenders are likely to face other complex barriers to work, including lower than average literacy and numeracy rates (Hurry et al., 2005), social exclusion and behavioural issues (DfES, 2005a).

Newham stakeholders reported that criminal records could be a problem for a significant minority of the jobseekers they deal with. This barrier was sometimes surmountable for those who admitted to their criminal record – who were then able to seek appropriate jobs with more flexible employers. Hidden criminal records were, however, found to be even more damaging, as ‘failing’ criminal record checks prolonged the job search process.

Several stakeholders also identified that debt could pose a serious barrier to work. One stakeholder working with groups with health problems reported that a third of their caseload had debt problems.

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## 5 Barriers to Work in Newham: Institutional

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There can be a range of institutional factors which operate locally and act as barriers to work. These include the availability of educational provision, access to childcare, and public transport infrastructure (Meadows, 2008). In addition, there can also be barriers associated with the public employment services and the benefits system, as well as the local housing market (Beatty et al., 2009a). Several of these types of barriers were identified by stakeholders as being problematic in Newham.

Transport, which in other areas with high levels of worklessness can be a significant barrier to employment, was felt by stakeholders to be relatively unproblematic; individuals' travel-to-work areas were defined to a much greater extent by their own desire to work locally than by any limitations of the physical infrastructure.

### 5.1 Childcare

The availability and/or cost of childcare is frequently cited as a barrier to parents, particularly mothers, entering employment (NAO, 2007), and childcare was a barrier identified by a number of strategic stakeholders within this research as being an issue. For most stakeholders the barrier primarily related to cost, which they felt could be a disincentive, even when a large proportion of it was covered by Tax Credits. However, further experiences from Workplace within Newham indicate that childcare issues may not impact significantly for all but can, for example, be an impact for people engaged in training or pre-employment courses. Stakeholders also stressed that the barrier was also linked to personal choice: parents may not want to leave their children in someone else's care at all, particularly if the financial rewards were relatively marginal, or there may be cultural sensitivities about who mothers are prepared to leave their children with. One stakeholder also identified that waiting lists for childcare within the borough

could be problematic, meaning that some parents cannot access it quickly if they do get a job offer.

## 5.2 Benefits

Individuals may face financial barriers to taking employment created by the benefits system. This relates to the extent to which wages in potential employment compensates for the loss of individual or household benefits. This includes income replacement benefits (such as Jobseekers Allowance or Income Support), Housing and Council Tax Benefit, and additional benefits, such as free school meals. There are also considerable start-up costs to taking employment, for example clothing and transport, and a fear that moving back onto benefits will be difficult if the job does not work out (NAO, 2007). Despite (policy) efforts to ensure that jobseekers will be 'better off in work', many are still concerned that they will not be able to make work worthwhile (Francis et al., 2008) – especially when expenses like travel and childcare are taken into account (GLA, 2008). This perception can be exacerbated among those who have high levels of personal debt, which will also need to be addressed once back in employment. It is this type of risk, and an understandable level of risk aversion among benefit claimants, that reinforces the perception of a benefits trap. In addition, there is a knowledge deficit among many workless groups, who are unaware of the forms of financial support available to them to move back into work (Meadows, 2008).

Both strategic and community level stakeholders reported there being a relatively widely held perception among local workless groups that there is a 'benefits trap', by which people believe they will be no better off financially in work than they are on benefits. In most cases it was felt that with better-off calculations, housing benefit run-ons and the financial support available to manage a return to work that these perceptions could be effectively addressed by personal advisors involved in delivering into work support. However, it was argued by some that more needed to be done to raise awareness within the wider community of the financial help which is available to support the move into employment. This is particularly important in an area like Newham, where a relatively large proportion of the workless population either do not claim an income replacement benefit, or they claim one where there is little interaction required with Jobcentre Plus.

There were also examples cited by stakeholders where the financial barrier was real. In the individual interviews there were also examples of mothers looking for part-time work while their children were in school who raised concerns about the financial implications of this.

The perception of the 'benefits trap' locally is something which the borough Council is addressing through the Mayor's Employment Project (MEP), an initiative within Workplace to support those with significant barriers to Work. The Mayor's Employment Project was set up in 2007 to test how real a barrier the "benefit trap" is. The project gives a commitment that if anyone finds themselves financially worse off when starting employment they will be supported with Housing Benefit run-on. However, over a 3 year period it has been found that everyone has been better off due to the dedicated support they are given to claim in-work benefits. These findings continue to be widely promoted at a national and local area by Newham Council and partners such as Jobcentre Plus and the Child Poverty Action Group.

Related to the barriers around benefits, the stakeholders interviewed, particularly those at delivery level, also viewed housing as an important barrier to work. This was in relation to the high level of rents in the private sector compared to earnings in entry-level jobs, which reinforced the sense of the 'benefits trap' that residents felt. This worry was also borne out in the individual interviews where in several cases the high rent payable if coming off benefits was felt to be a disincentive.

## 5.3 Local provision and support mechanisms

To effectively manage the transition from worklessness to employment an individual will need to draw on the most appropriate support to address their (often multiple) barriers to work. Local support mechanisms and the provision of training, job-search support, and information advice and guidance (IAG) can be important elements in addressing levels of worklessness (Beatty et al., 2009a).

### 5.3.1 Local provision

It was generally felt by both strategic and community level stakeholders that there was a sufficient overall volume of training provision available locally to support most skills and employability development; with a broad range of provision from Jobcentre Plus funded programmes, Workplace and the Mayor's Employment Project, and various European Social Fund (ESF) provision. However, there were a number of areas where some stakeholders reported that additional resources were required:

- Several noted that demand for ESOL courses tended to outstrip supply. This is something that has previously been noted as a problem across the Olympic boroughs (LSC/LDA, 2006).
- Some stakeholders, particularly those at delivery level, felt that there was not enough funded local vocational training, and particularly training which was linked to employment outcomes.

- Several community level stakeholders felt that there was not sufficient IAG locally to guide workless people to the right provision. This can be particularly important for groups who are trying to navigate the system from a position of limited knowledge, for example recent arrivals to the country and refugee groups who typically suffer from relatively patchy information provision (Dixon, Carter and Lukes, 2006; Aston et al., 2009).

Stakeholders also identified several barriers to individual participation in training. It was noted that funding childcare while people train could be problematic. A local training provider also described some cultural barriers to participation in training, for example, some Asian women requiring the class teacher to be a women, and to be in traditional dress.

### 5.3.2 Developing support networks

Where individuals are furthest from the labour market they are likely to have multiple disadvantages (NAO, 2007; Green and Hasluck, 2009), and the evidence from stakeholders and individuals highlighted that those who were workless in Newham often faced not a single, but multiple barriers to work. The number and scale of these barriers is often increased by long-periods of time spent unemployed.

For those furthest from the labour market relatively broad networks of support are therefore often needed to address these multiple barriers, and to facilitate progression pathways to work. To be effective such networks often need to incorporate a range of more localised, and/or specialised, provision in order to secure initial engagement, and to encourage the first small steps towards moving back into the labour market. These localised providers will often have better access to communities, either geographical or demographic, than more mainstream provision (Tackey et al., 2006; Beatty et al., 2009a).

The initial period of engagement and progress with a community provider, which can include, for example, elements of socialising and confidence-building, as well as some form of course or training (related to basic skills or job search), can then provide the next step into engagement with mainstream provision. Community level stakeholders often felt that there was something of a disconnect in Newham between provision that is more embedded in the local communities, and more mainstream providers. It was felt that in order to facilitate the reduction of worklessness, more clearly defined pipelines or progression pathways were needed, the development of which would require greater recognition of the role of the third sector, and enhanced partnership working, building up of networks of support. This was felt to be particularly important for tackling worklessness among Asian women and among recently arrived migrant groups who were felt

to be less likely to access mainstream provision, but would also be beneficial for other groups. It was noted by some interviewees that recent developments, for example the establishment of a number of Workplace Hubs within community venues, moved in this direction and that progress had been made, but that more work was needed to link these hubs more fully into other local providers.

The community stakeholder interviews strongly suggested that further work was needed in developing local pipelines or progression pathways for workless groups. For example by more mainstream provision working more closely with local community level organisations, like community centres, religious groups, and specialist support agencies who can offer engagement which is culturally sensitive and less rigid. The diverse characteristics of workless groups locally, and the broad base of provision, mean that developing such networks requires considerable effort, but working in this way has the advantages of both improving the access to mainstream provision for workless groups, and drawing on the capacity which already exists to develop longer client journeys for those furthest from the labour market, and those with complex and multiple support needs.

Individual interviewees' lack of knowledge of the services available to them, including local services like Workplace, is also worth noting. Very few of the unemployed individuals we spoke to were aware of services other than those that they were currently using.



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## 6 Tackling worklessness: good practice

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This chapter draws on the literature to highlight good practice examples in tackling worklessness locally, including employer engagement, client engagement, partnership working, and meeting the diverse needs of workless groups. The purpose of the chapter is to provide information on what works in addressing worklessness, to help inform policy in the borough.

### 6.1 Demand side: getting employers on board

In order to effectively tackle localised worklessness there is a need to address demand-side issues, there are several ways to do this, including:

- Direct job creation programmes offering workless groups (time-limited) work in 'sheltered labour markets'
- Job subsidies to encourage employers to recruit from disadvantaged groups
- Intermediate Labour Markets which offer work experience with some form of support and training. These are most often designed for those furthest from the labour market as they offer a longer journey into employment (see Marshall and Macfarlane, 2000)
- Engagement with employers to open up job opportunities to workless groups

(Summarised from Meadows, 2006a)

Of these options, it is engagement with employers which is the lowest cost and easiest to operationalise at the local level. Recent models for this include Local Employment Partnerships, through which Jobcentre Plus provided services like pre-screening applicants, and help with recruitment and pre-employment training, to encourage employers to recruit from priority groups. Getting private sector buy-in is not easy and because of the nature of the London labour market,

and the commuting patterns around the capital, local employer engagement and job matching can be more challenging (Meadows, 2006b). It is generally the case though that strong links with a few employers are better than weak links with many (Meadows, 2008).

Employers tend to engage in employment programmes for a number of reasons, including, if a scheme offers assistance in overcoming skills shortages; if it provides specific recruitment assistance; if it ensures the workforce reflects the local population; and/or if it helps to fulfil corporate social responsibility (Green and Hasluck, 2009).

It is advantageous if local employers can be encouraged to look at their recruitment and working practices (Green and Hasluck, 2009). Employers requesting application forms rather than CVs have been found to be less likely to discriminate between similar applicants on the basis of ethnicity (perhaps because names may be detached from applications at an early stage). More generally employer practice could also be improved in several other areas, for example adopting flexible holidays (e.g. allowing people to swap Christmas for their own religious festivals) and allowing time for prayer (Tackey et al., 2006).

The borough is already running the Newham Workplace programme which was established to support local residents to take advantage of the job opportunities created by large-scale area regeneration and development. Workplace has links with a large number of employers locally and offers a number of employer tailored pathways, including work experience, work trials and pre-employment training. This model of employer engagement offers the potential to enable local residents to significantly capitalise on upcoming opportunities.

## 6.2 Supply side

The multi-dimensional nature of worklessness means that employment programmes need to operate alongside support which address other issues. For instance, persistent poverty, lone parenthood, poor health, and having a large number of children are all associated with each other, and with the inability to work (Barnes et al., 2008).

### 6.2.1 Partnership working among providers - networks and pipelines

Different providers can serve very different functions for different groups in the community. The pathway between these providers, however, can be hard to navigate. The literature on good practice in this area suggests that certain themes are particularly important at the organisational level.

- shared organisational goals

- good communication, co-operation and information-sharing
- trust and goodwill.

(Aston et al., 2009)

It has been emphasised that partnership working is less about particular systems and more about attitudes and cultures which promote trust and allow for differences in approach (McQuaid et al., 2007). For the system as a whole to work, there is also a need for strong linkages to ensure that individuals can move from service to service smoothly. This can be facilitated by 'routeway brokers' – individuals who act as mentors and advocates for workless individuals. They may be drawn from a variety of sources: voluntary sector organisations, state services, school guidance services (LSEB, 2008a). Section 5.3.2 discusses the issue of linking up support services in the borough, with particular reference to the need to more fully integrate community and mainstream provision. This is critical in supporting the journey into employment for those who are furthest from the labour market.

#### ***Case study of good practice: Refugee employment initiative***

*The London-based Refugee Employment, Education, Training and Advice partnership (REETA) sits within the Pepys Community Forum in Lewisham. The project aims to break down barriers to employment for refugees in the borough. It has been held up as an example of good practice; it has successfully harnessed its specialist service to the more target-driven Jobcentre Plus approach and made links with a range of local partners.*

*REETA provides information, advice and guidance on employment, education and training for refugees, focusing on overcoming institutional barriers to employment, accessing courses and training provision and running special events like job fairs. They provide one-to-one support with CVs and job applications.*

*REETA has also, in the past, been sub-contracted by Reed in Partnership - under this relationship, REETA recruited hard-to-reach members of the community and prepared them for work. Reed aimed to find them employment, forming a small supply chain to channel marginalised individuals into the labour market. (Reported in Dixon et al., 2006; additional information from [icar.org.uk](http://icar.org.uk).)*

#### ***Case study of good practice: Joining up small voluntary-sector organisations with national programmes and with employers***

*Joined up for Jobs, Edinburgh, is a large-scale employability agreement which aims to promote access to employment across the city. Partners aim to meet the needs of particular groups of individuals while also attending to employers' workforce requirements. Locally-based not-for-profit organisations have been key delivery partners, enabling employability services to reach communities and client groups which face more severe disadvantage. (Reported in McQuaid et al., 2007.)*

## 6.3 Integrating supply and demand

Worklessness programmes cannot be successful without a sound knowledge of the local labour market (Meadows, 2008). Creating links with employers is an important extension of the 'pipeline' moving people from worklessness into employment. A variety of effective methods are listed in the literature:

- Matching training to local skills needs (Green and Hasluck, 2009). This relates in part to the needs of specific industries. However, there is also an issue about providing training courses which are geared towards employment more generally. For example, it has been established that ESOL teaching should relate to the workplace as well as to general language (LSEB, 2008a). Subsidies to employers to provide training can be better than direct provision from government or local authorities, as classroom-based training without associated work experience tends to be less effective (Meadows, 2006a).
- Work-based placements (Green and Hasluck, 2009). As well as being effective, these suit both employers and prospective employees since they offer employers the ability to carry out an extended screening process and test whether an individual is the right person for the job (Newton et al., 2005).

Stakeholders reflected that there is potential for more pooling of information and resources to help match jobseekers to vacancies. They also felt that training linked directly to work, or a specific job opportunity, was a good way to attract workless individuals to provision (particularly young people).

Steps are already being taken in Newham to do this type of matching through a model known as "embedded project management". This model operates on the basis of placing a Workplace recruitment officer within the HR department of an employer to understand their business needs and to develop bespoke pathways to employment. These pathways include work experience, pre-recruitment training and work trials so that employers are able to "try before you buy" by hosting a potential applicant in a position before formally offering them a job. This model enables residents with barriers to employment to access jobs which would normally be out of reach via the traditional route of application forms and formal interviews.

Embedded project management models of particular note in Newham are those listed below which have been developed with the support of East London Business Alliance:

- London City Airport Take Off into Work has supported Newham residents to access roles such as Ramp Service Agent, Retail Assistant, Baggage Handling Assistant.

- Newham Real Apprentice Scheme has supported Newham residents to access entry-level roles within the London Borough of Newham as Library Assistants, Catering/Cleaning Assistants and Housing Benefits Officers.

(Engagement can be seen in two ways: engagement with local communities and engagement with individuals (Meadows, 2008). Engaging with community organisations that are established and trusted can be an important way to build confidence in projects which aim to reduce worklessness (Meadows, 2008). Such community organisations are often clearly differentiated from mainstream services like Jobcentre Plus. This differentiation can be valuable in winning the trust of hard-to-reach groups (Policy Research Institute, 2007; Beatty et al., 2009a). This is the theory which underpins the establishment of Workplace community hub sites, which is a positive step towards engaging workless residents.

Outreach can also be important in accessing individuals who are not already engaged with community or employability activities (Dewson et al., 2006). Important aspects of outreach can include:

- multilingual workers (Aston et al., 2009)
- door-knocking (Aston et al., 2009)
- going out to venues frequented by target groups – which may include mosques, libraries, shopping centres (Aston et al., 2009).

More direct forms of engagement can be very valuable in connecting with those furthest from the labour market, and can be especially important in establishing contact with those groups not in touch with statutory agencies. In Newham this would include some of the large economically inactive groups like those on sickness benefits<sup>21</sup>, refugees and asylum seekers, and inactive ethnic minority women.

Other characteristics which promote engagement and retention in programmes are:

- leadership from charismatic and respected individuals with roots in the local community (Beatty et al., 2009a)
- having services in well-established community facilities (Beatty et al., 2009a; Francis et al., 2008)

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<sup>21</sup> Although reforms to the sickness benefits system will mean greater contact between benefit recipients and Jobcentre Plus in the future.

- staff characteristics can be very important in engaging individuals –in terms of age, gender and ethnicity profile (Dewson et al., 2006)
- staff attitudes can also make a difference: enthusiastic, outgoing, motivated and empathetic staff are more likely to be engaging (Dewson et al., 2006)
- out-of-hours contact by text and phone can be valuable (Francis et al., 2008)
- encouragement and support to take up referral options (Francis et al., 2008).

## 6.4 The diverse needs of workless groups

While at the individual level provision needs to be tailored to needs, there are some specific learning points which relate more generally to the needs of different workless groups.

- **Young people** - the effectiveness of programmes for disadvantaged young people is dictated by: close links to the local labour market; targeting of jobs with relatively high earnings and opportunities for development; and pathways to FE being available (Meadows, 2006a).
- **Parents** - the integration of children's services with employability and other parental services has become widespread. Parents have been found to strongly prefer a one-stop-shop model, however those with complex needs are likely to require referrals to a number of different services (Ofsted, 2009).
- **Those distant from the labour market** - bridging activities such as formal placements, intermediate labour markets and voluntary work can bring people closer to employment by building confidence and breaking down social isolation (Francis et al., 2008). It has, however, been found that intermediate labour markets are only effective when coupled with intensive individual support: without such support, such initiatives have been found to be less effective – bearing more resemblance to (less effective) job creation (Meadows, 2008).
- **Refugees** - NGO and diaspora networks can be particularly important in identifying and engaging this group (Policy Research Institute, 2007). More intensive and holistic provision is often required, which takes into account refugees', sometimes troubled, backgrounds.
- **Speakers of other languages** - ESOL provision needs to be appropriately pitched – mixed ability classes are rarely appropriate – and training needs to be combined with work experience (Meadows, 2006a). A focus merely on courses can be detrimental, a valuable service will look at the broader purposes of training – for instance ESOL training can also be a valuable way for individuals to connect with communities outside their own and can be an important path to

volunteering and paid work (LSEB, 2008b). Teaching methods are also key, talking to native English speakers can be important for learners to pick up more fluent language skills and become accustomed to native accents, inflection and talking speeds (Employability Forum, 2003). The organisation of the service, as for any provision, needs to be flexible and sensitive to childcare obligations (Griffiths, 2003) as well as cultural needs.

- **BAME groups** - allowing plenty of time for appointments with providers and avoiding jargon help to make services accessible for those who are unfamiliar with the system and who may not have perfect English language skills (Tackey et al., 2005).

The broad range of needs across different worklessness groups highlights the need to ensure that the landscape of local provision across Newham, and the wider area, is well mapped and understood. This will enable potential gaps, as well as areas of duplication, to be identified and addressed. This is particularly important to help meet the needs of those furthest from the labour market.

***Case study of good practice: Targeting hard-to-reach groups through the voluntary sector and personalised support***

*Southwark Works!* has a team of specialist advisers targeting high-needs groups. They take a personalised, one-to-one approach, and provide advice on training and employment. They link to other agencies, for example Southwark Volunteer Centre to provide people with work experience placements. They also support jobseekers through funding for work clothes and other one-off needs as appropriate (Dixon et al., 2006).

## 6.5 Unit costs and impact

Measuring outcomes of schemes to tackle worklessness is complex, given that such interventions may move individuals closer to the labour market without them actually entering work (Dewson et al., 2000; Meadows, 2008). Certain types of intervention may take longer for results to feed through into the labour market, for instance, training (Meadows, 2006a) and information, advice and guidance (Pollard et al., 2007). Furthermore different individuals will clearly have different support needs to move into work, and these needs will require varying levels of expenditure if they are to be adequately met. Interventions like job search which focus on immediate employment tend to be relatively cheap and have been found to be more effective for those with skills already; however, training may be necessary for those further from the labour market – although it only becomes effective in the longer term (Meadows, 2006a).

In general programmes which work with people with relatively few barriers can achieve results relatively quickly and cheaply, while those working with

individuals with more complex needs are much more costly (NAO, 2007). The cost of programmes is also increased for those operating in disadvantaged labour markets. Table 6.1 shows the performance of New Deal Programmes running in Employment Zones, they highlight the relatively low job entry rate and relatively high cost of moving the long-term unemployed into employment.

**Table 6.1: Job entry rates and costs of New Deal programmes operating in Employment Zones**

Programme	Job entry rate (%)	Number of additional jobs	Costs per job, including admin costs (£)	Costs per additional job, including admin costs (£)
New Deal for Lone Parents (Employment Zones)	32	597	3,950	23,250
New Deal 25+ (Employment Zones)	25	1,998	5,450	18,180
New Deal for Young People (Employment Zones)	30	4,770	4,770	21,360

*Source: NAO (2007)*

The figures underline that providing personalised interventions for those far from the labour market is an expensive process, as hard-to-help clients may require three to six months of intensive support (Meadows, 2006a). It should also be noted that schemes were generally operating in quite favourable national macroeconomic conditions.



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## 7 Conclusions and recommendations

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### 7.1 The scale of worklessness in Newham

The gap in the employment rate between Newham and London currently stands at minus 13 percentage points, and has not narrowed significantly in recent years. At the current rate of difference, and current population level, it would require an additional 10,700 Newham residents to move into work to halve the gap, and 21,400 to close it entirely.

The employment rate in the borough is particularly low for women, with only 46 per cent of working age women in employment (compared to 62 per cent in London). The employment rate among ethnic minorities is also very low, standing at 49 per cent in Newham compared to 59 per cent in London. This large differential is likely, in large part, to reflect the particular BAME make-up of Newham, which has comparably large black African, black Caribbean, Bangladeshi and Pakistani groups. These groups have been shown to be disproportionately more likely to be out of work than white or other BAME groups.

In total there are 72,100 working age Newham residents not in employment, 44 per cent of the working age population.

### 7.2 The characteristics of workless residents and their barriers to work in Newham

There are different forms of worklessness – those who are unemployed, who out of work and actively seeking employment, and those who are economically inactive, who are not in, or seeking, work.

Unemployment in Newham stands at around 14,000-15,000, approximately 14 per cent of the working age population. This is around double the unemployment rate for London. Unemployment in Newham is broadly evenly split between men and

women, and across a range of BAME groups, including relatively large numbers of unemployed white British, black African, black Caribbean, Bangladeshi and Pakistanis. The unemployed tend to be younger than the inactive.

Newham also has a very large economically inactive population of 57,100, with rates of inactivity particularly high among Bangladeshi and Pakistani women. Of the inactive, 3,200 men and 6,100 women say they would like a job. If these are added to the number of unemployed residents, around 23,000 Newham residents are either actively looking for work, or are interested in moving into employment but not currently searching.

Newham claimant rates exceed those of London for all out of work benefits. The borough has 13,150 claimants of Incapacity Benefit/Employment Support Allowance (7.9 per cent of the working age population). The borough also has 9,820 Jobseekers and 6,460 Lone Parent claims.

The drivers of worklessness in Newham seem to be a combination of housing market sorting and employment change. The loss of manual employment has resulted in the development of a degree of in-situ worklessness, including incidences of inter-generational worklessness. More significantly, the relatively open housing market has meant the area has been a receiver of waves of historical and contemporary migration. The borough still has a high rate of population turnover and relatively large flows of international migration which 'imports' worklessness from elsewhere, as migrants take time to integrate and find employment.

A broad typology of the reasons for the high rates of worklessness in Newham can therefore be considered as:

- **Worklessness which is the result of economic and social change**, among the established community
- **Cultural worklessness**, particularly among Bangladeshi and Pakistani women
- **Imported worklessness** as a result of immigration flows as migrants take time to assimilate and find employment

While the high rates of worklessness in Newham stem primarily from the characteristics of the population, it was reported by stakeholders interviewed that disadvantage was reinforced by the level of competition for entry-level jobs which also exists.

### 7.2.1 Barriers to work

The research highlighted that individuals who were workless in Newham often faced not a single, but multiple barriers to work.

On the demand side there was little consensus among interviewees about whether a lack of demand for labour more generally was affecting the borough, with some seeing this as an important driver of worklessness, whereas others felt the answer was almost entirely on the supply side. In recent years there has been a shift in the Borough's employment structure, with falling employment in manufacturing offset by growth public administration, health and education. Such a shift may have to some extent disproportionately impacted on some groups, primarily men with few qualifications. More generally it was also noted by stakeholders that there was congestion in the labour market for entry-level positions as a result of the local skills and qualifications base.

Employers interviewed in several cases reported that applicants from Newham were often less employable than those from other boroughs, they highlighted that often local residents were more likely to have basic skills needs, employability skills needs, lack a recent work history, and be less motivated.

Important supply-side barriers to work include human capital and circumstantial barriers. Newham has a poorly qualified resident population compared to national and London averages. In particular one in five of the borough's population has no qualifications, this is a particular disadvantage in highly competitive labour markets like London's. The research also found that non-recognition of foreign qualifications remains problematic. Skills more generally are also acting as a barrier to work for many workless individuals, particularly basic employability skills, and job search and application support, among those who have been out of work for long periods. The level of English language skills is also problematic for some workless groups and addressing this needs to be a major element of tackling worklessness. For those who have been out of work for relatively long periods of time, the lack of a recent employment history can also be a barrier in both their perceived employability by an employer, and because periods of worklessness tend to impact on levels of confidence and self-esteem. In addition to these human capital barriers, workless groups locally can face a number of circumstantial barriers. Caring responsibilities are an issue, particularly for the relatively large number of lone parents. There is also a pronounced cultural barrier to work for some BAME groups, notably Pakistani and Bangladeshi women.

The research also identified a number of important institutional barriers locally. These include childcare, where either cost, or personal choice, means mothers are reluctant to leave their children in someone else's care. It was also reported that

there was a relatively widespread perception among local workless groups that there was a 'benefits trap', which meant they were better off being on benefits than they would be in work because of the additional benefits they received, for example Housing and Council Tax Benefit. This perception is something which the Newham Council are trying to address through the Mayor's Employment Project and it is important that the positive findings about how much better-off in work participants have been is disseminated as widely as possible. There were also some significant findings about local provision. There were several specific issues reported by stakeholders as acting as a barrier to work, including the need for more employability related ESOL, more vocational courses, and greater availability of IAG. More broadly, it was felt that more needed to be done to develop larger and more integrated networks of support to meet the multiple barriers which some workless groups face. This would require an enhanced level of partnership working between local community providers, who can offer advantages in terms of initial engagement and development, and more mainstream provision, which can offer further support into employment. These partnerships would provide clearer local progression pipelines or pathways for local workless groups to support longer and more complex individual journeys.

### 7.3 Policy recommendations for Newham

Worklessness in Newham is highly diverse in its characteristics and drivers. It is a complex problem which requires an integrated policy which can address demand and supply side issues:

- **On the demand side, good employer engagement is fundamental to tackling worklessness** - this is a matter of priority. If done well this provides access to more vacancies for those out of work, and can provide work placements and experience. More generally, it is important that local skills provision is designed to meet employer needs, and employer input to this can be valuable. There are good practice examples already in the borough on which to build, with employer links an established part of the Workplace programme.
- **There are very significant current and upcoming opportunities in the borough to move people from worklessness into employment** - including the Olympics and the new Westfield development. It is critical that all is done to maximise the impact of these opportunities. With the recession creating large rises in claimant unemployment across London, ensuring local workless groups benefit from these developments will be more difficult, but also more important. Given the time constraints it might make sense to target support here towards those who are closer to the labour market, i.e. those who are actively seeking work (whether claimant unemployed or not), and who are likely to have less profound barriers to employment. To meet the employment

needs of longer-term developments it is important that provision is in place to assist those local residents further from the labour market to move towards being job ready.

- **On the supply side, the longer-term objective must be to increase educational attainment as well as the broader skills base among residents. More immediately there will continue to be significant demand for support with basic employability** - and the need to provide some upskilling to move residents into work. There also remain significant needs around ESOL. IAG provision performs a crucial function in facilitating the move into employment, and is particularly important for specific groups. For example, given the borough's population make-up and levels of residential mobility it is important that those with limited English are able to access guidance about the provision and services available to support progression towards the labour market.
- **There is a need to address the widely held perception of workless groups that there is a 'benefits trap'**, and they are better off on benefits. There is a need for the availability of back to work support, and the financial help, incentives and in-work benefits available, to be publicised more widely. The Mayor's Employment Project found that participants tended to be significantly better off in work, and it is important that this message gets out into the community.
- **For those furthest from the labour market it is likely that multiple forms of support are needed.** Effective engagement with workless groups is fundamental to tackling the borough's low employment rate. This is particularly important as relatively large numbers of the workless locally are not claiming out of work benefits. Such groups can be more likely to engage with a form of very localised, or specialised, provision than with mainstream employability and employment support. There is therefore scope for developing broader and more holistic networks by brokering stronger links between local community services and provision and more mainstream provision, to establish clear pipelines or progression routes for journeys into work for those furthest from the labour market. These could include working with organisations which serve particular geographical areas, or those which serve particular groups of the population, for example those which engage with particular BAME minority groups. This is potentially very beneficial because the same BAME groups tend to perform poorly in both unemployment and inactive measures. These models of engagement might therefore have positive spillovers, in tackling worklessness among both the more, and the less, engaged. While the Workplace model has moved in this direction by establishing community hubs, these still require effective local networks around them to maximise impact.

- **It is these types of local partnership working practices which offer the best opportunity to begin to address the more entrenched aspects of worklessness in the borough** – particularly among those who have been out of the labour market for a long-time, those who have never worked (or never worked in this country), and those with cultural barriers to work.

### 7.3.1 Future national policy developments

There are several national level policy changes planned which will impact on worklessness in Newham:

- All current Incapacity Benefit claimants will be reassessed under the new ESA Work Capability Assessment (WCA) medical. Given the high failure rate among new claimants it can be expected that a proportion of stock IB claimants will be found fit for work and disallowed from the benefit. Some of these will go on to claim means-tested JSA, however for those with other household income this may not be an option. There may therefore be an important role for Workplace/MEP, and other local provision, in supporting those who have previously been claiming a sickness benefit back into work. This group are likely to have some pronounced barriers including lack of a recent work history, in addition to their health limitations.
- The age of the youngest child which determines eligibility for Income Support as a lone parent will be reduced to seven in October 2010.
- The new Government has recently announced the introduction of the Work Programme, a single welfare to work programme to replace the existing provision from Summer 2011. There are currently relatively few details of what the programme will involve but it will be important that as more information becomes available that local partners in Newham make suitable links with the contracted provider. It will also be important that a model of support continues to be developed for local workless residents who are not claiming out-of-work benefits and so are not covered by welfare to work provision.

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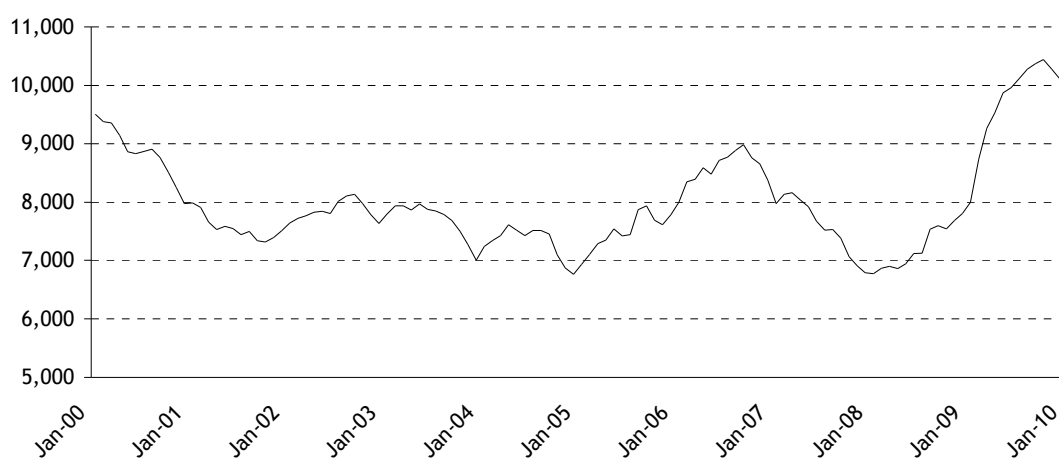


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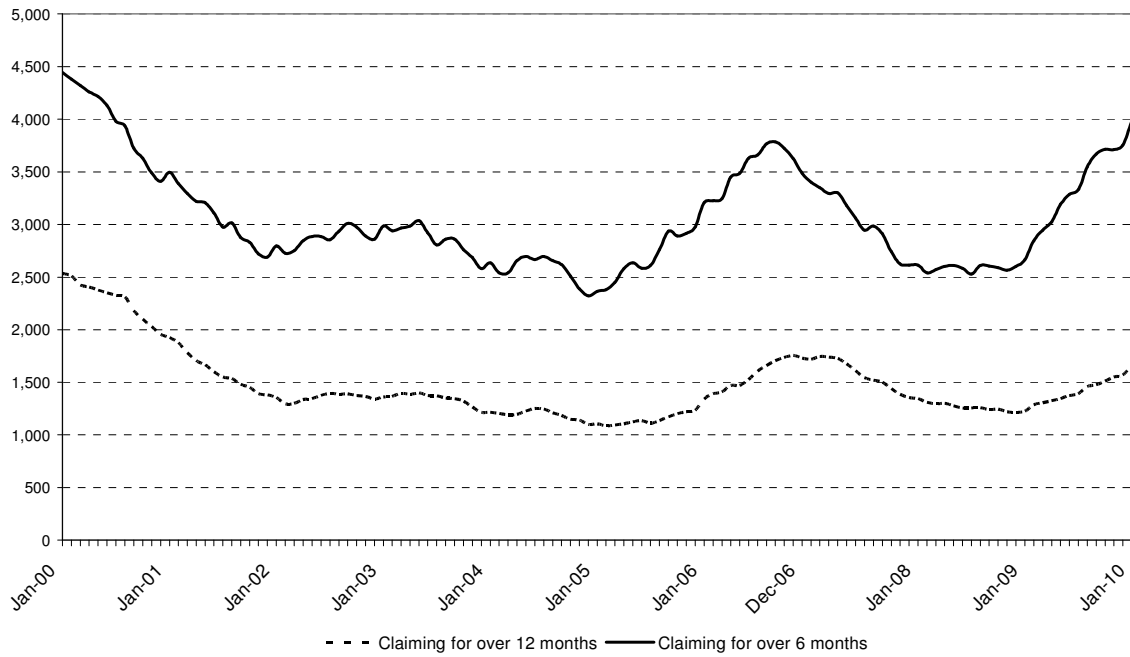
## Appendix - Trends in benefit claims in Newham

Figure I.1 The Jobseekers Allowance Claimant Count, Newham



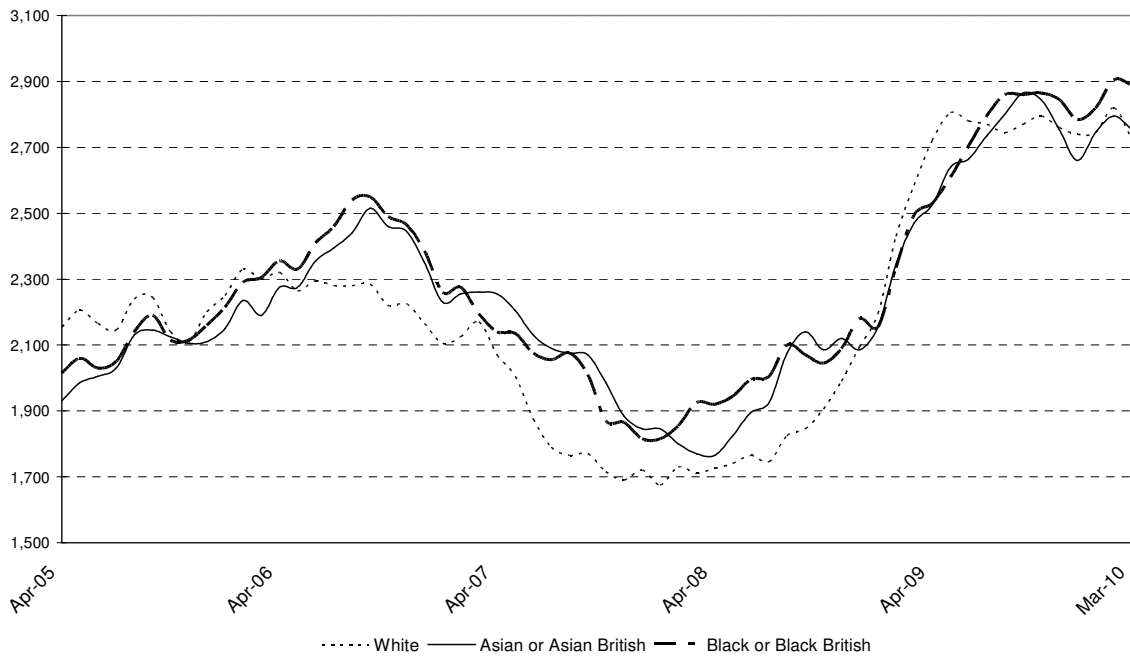
Source: DWP via Nomis

Figure I.2 Jobseekers Allowance claimants by duration, Newham



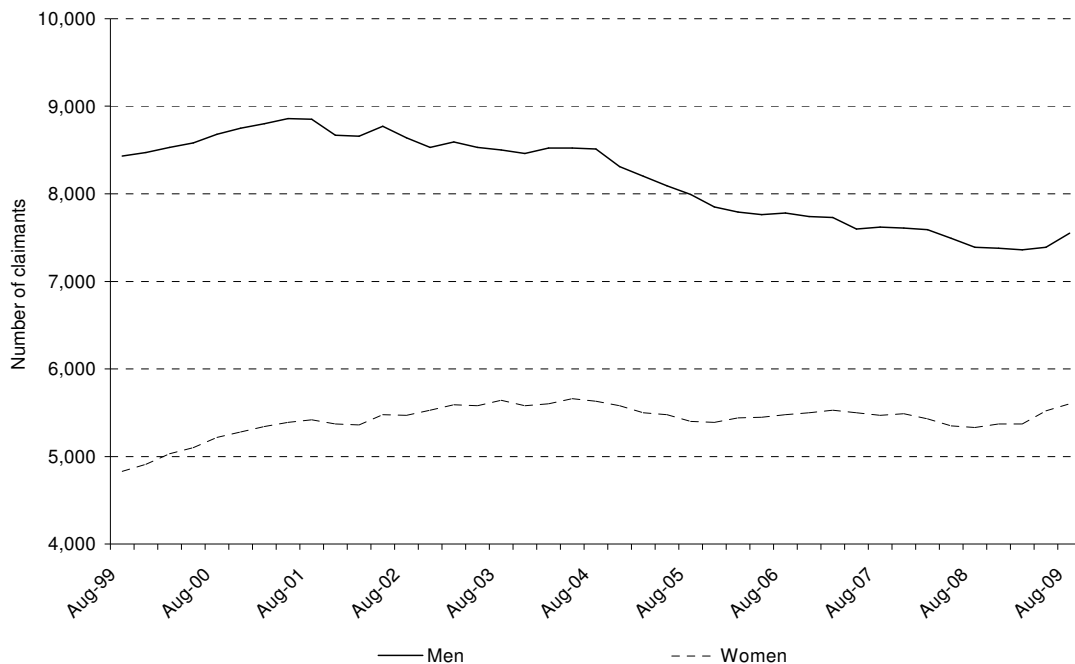
Source: DWP via Nomis

Figure I.3 Jobseekers Allowance claimants by ethnicity, Newham



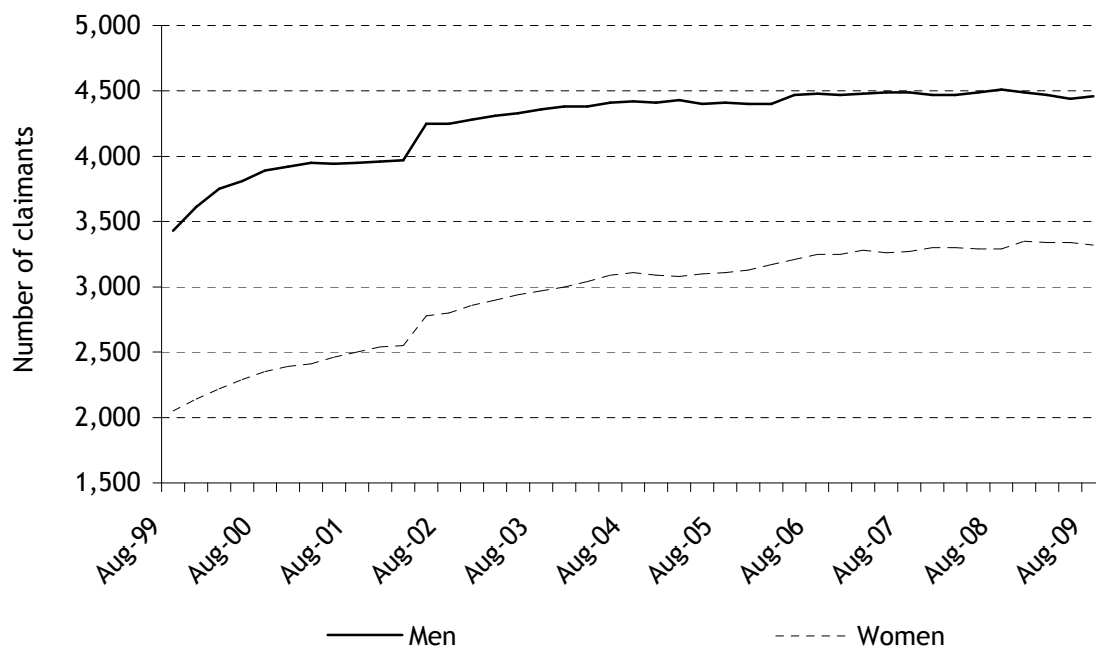
Source: DWP via Nomis

Figure I.4 Incapacity Benefit/Employment Support Allowance claimants, Newham



Source: DWP via Nomis

Figure I.5 Long-term (over 5 years) Incapacity Benefit/Employment Support Allowance claimants, Newham



Source: DWP via Nomis