

**Welfare and Well being
Group/Employment Group**

**Equality Impact Assessment
Young Person's Guarantee and Future Jobs
Fund**

Equality impact assessment for Young Person's Guarantee and Future Jobs Fund

Introduction

The DWP has carried out an equality impact assessment on the proposal to introduce the Young Persons Guarantee and Future Jobs Fund to meet the requirements of the:

- Race Equality Duty
- Disability Equality Duty
- Gender Equality Duty

This process will help to ensure:

- The Department's strategies, policies and services are free from discrimination.
- Due regard is given to equality in decision making and subsequent processes.
- Opportunities for promoting equality are identified.

The equality impact assessment considers the impact of the proposed policies in terms of age, disability, gender, gender reassignment, race, religion or belief and sexual orientation.

Background

The Young Persons Guarantee and Future Jobs Fund have been introduced as part of a range of measures to address the effects of the recession. These policies are designed to be of particular benefit to the long-term unemployed aged 18-24. However, the Future Jobs Fund will also benefit the long term unemployed in unemployment hotspots.

Previous recessions have seen a disproportionate impact on youth unemployment, the effects of which are still being felt. Therefore, the Government is committed to ensuring that no young person is permanently disadvantaged by the recession and that all young people are able to maintain their attachment to the labour market and take part in worthwhile activity.

Purpose of the Young Persons Guarantee and the Future Jobs Fund

Young Persons Guarantee

Before they reach 12 months on Job Seekers Allowance (JSA), all 18 to 24 year olds will be guaranteed one of the following:

- An offer of a job (either a new job through the Future Jobs Fund or an existing job in a key employment sector).
- Work focussed training.
- A place on a Community Task Force.

Key employment sectors

Jobcentre Plus will work with employment growth sectors to help young people to get existing jobs in key employment sectors which include:

- retail
- hospitality
- leisure travel and tourism.

Work Focussed Training

Training is an important way to help people get into a sustainable job. The new training places will be delivered flexibly and will be in areas that are relevant to the local job market i.e. training courses will reflect the needs of the local labour market. In England we expect young people to spend 3 or 6 months in this training before getting a job. We are working with the Devolved Administrations who are responsible for offering training in Scotland and Wales.

Community Task Force

This will help young people develop skills and work habits whilst delivering real help to their community. As this offers work experience rather than jobs, customers will not be paid the National Minimum Wage. Instead they will receive a weekly allowance payment equivalent to benefit plus a top up of £15.38 per week.

Future Jobs Fund

The Future Jobs Fund will be administered by the Government. It will create 150,000 jobs. 100,000 for those aged 18 - 24 and 50,000 in unemployment hotspots. Unemployment hotspots are areas where the claimant unemployment rate is 1.5 percentage points above the national average.

The jobs will be:

- real jobs which pay at least national minimum wage, for at least 25 hours a week, and lasting at least six months
- new jobs that would not have happened without the Future Jobs Fund
- suitable for long-term unemployed young people
- of benefit to the local community

All employers, both in the profit and not for profit sectors can bid for funding.

The Future Jobs Fund is time limited. The first jobs will be created in October 2009 and the Fund will continue until March 2011. The maximum Government contribution for each job will not exceed £6,500 and each job will last for a maximum of six months.

The Young Persons Guarantee and Future Jobs Fund are designed to complement existing provision provided for unemployed people and other disadvantaged groups to overcome the obstacles faced by the long term unemployed.

Who will benefit mainly from these policies?

The Young Persons Guarantee will benefit young adult customers aged 18-24 who are approaching 12 months on Job Seekers Allowance (JSA). From 2010 18-24 year olds approaching 12 months on JSA will be required to take up one of the guaranteed offers. Introducing this requirement will give many thousands of young adults invaluable skills and work experience that will help them secure a worthwhile job. Evaluation shows that this a very effective way of getting people back to work.

The Future Jobs Fund will benefit both young adult customers aged 18-24 who are approaching 12 months on JSA and those approaching 12 months on other out of work benefits in unemployment hotspots where the claimant unemployment rate is 1.5 percentage points above the national average.

There is no flexibility for other areas and regions to bid for funding. It is important that these jobs target labour markets where it is particularly difficult to find employment.

Traditionally disadvantaged groups and ethnic minorities are over represented in areas of high unemployment which means that this will benefit those groups also.

Consultation and involvement

During the development of the policy the DWP has engaged proactively with a wide range of stakeholders. This included the Devolved Administrations, Local Authorities, Charities, not for profit organisations and other Government Departments. The process has included running seminars, attending conferences and face to face meetings.

The Young Persons Guarantee and Future Jobs Fund policies are dynamic responses to the economic downturn. As such they will be subject to ongoing review and development. Where possible this process will see the DWP engaging with its stakeholders.

Evaluation Criteria

The criteria used to assess bids to the Future Jobs Fund do not include any criteria that could reasonably be considered to be discriminatory. The criteria are objective and are available on the DWP website:

<http://campaigns.dwp.gov.uk/campaigns/futurejobsfund/index.asp>

Employers and other organisations that take advantage of the schemes will be expected to comply with UK equality legislation. Ensuring compliance forms part of the detailed bid assessment process and will take place prior to funding being agreed any bids to the Future Jobs Fund that incompatible with the Government's duty to promote equality will be declined.

Gender equality

There is no evidence to suggest that either the young persons Guarantee or the Future Jobs Fund will have negative impact on gender. Males account for 70% of

JSA customers aged 18-24¹. In addition in May 2009 70% of those unemployed over 12 months (from all ages) were also male. It will therefore be expected that there will be more males who access the scheme than females as the customer groups affected have a higher percentage of males. However, both men and women will be able to access the scheme on the same terms promoting equality of opportunity for both men and women.

Race equality

There is evidence that ethnic minority customers remain on benefit for longer than non ethnic minority claimants. In June 2009 the number of ethnic minority claimants on benefit for more than 12 months (from all ages and as a share of total ethnic minority claimants) was 14%, the share for white claimants was 12%. The number of ethnic minority claimants aged 18-24 on JSA for six months, as a share of all young ethnic minority claimants, was 17%. The share for white 18-24 year olds claimants was 15%.

It is anticipated that the creation of 50,000 jobs in unemployment hotspots will be expected to actively help ethnic minority groups and therefore have a positive impact that promotes opportunity. This is because ethnic minority groups are traditionally found in areas of higher unemployment. The Working Neighbourhoods Fund (WNF), for example, is given to the most deprived Local Authorities in England. The WNF areas include more than half (52%) of all workless ethnic minorities.

Disability equality

Data shows that disabled people are more likely to be in receipt of benefits than non disabled people. (In 2007/08 14% of new claims for JSA in the 18-24 age range were from disabled people). We expect that take up for opportunities through the Young Persons Guarantee and Future Jobs Fund will mirror this proportion and therefore promote equality of opportunity for disabled people.

Age equality

The Future Jobs Fund will create at least 100,000 new jobs for young long term unemployed people. The remaining jobs will be created in areas of high unemployment and will be aimed at the long term unemployed. The Young Persons Guarantee is targeted at the long term unemployed aged 18-24.

High youth unemployment is a significant impact of the current economic downturn. The ILO unemployment rate for young people, for example, is up 4.7 percentage points on the year to 17.2%. The equivalent percentage point increase is 2.2 points for 25-49 year olds, to 6.2%, and 1.5 percentage points to 4.4% for those aged 50+.

The focus on young people is a result of their high levels of unemployment. Youth unemployment is largely caused by their lack of relevant skills and experience that prevent them from entering the employment market. In the longer term this low

¹ Source: ONS available at www.nomisweb.co.uk

skills and experience base will result in many of them staying in low paid employment. The policies seek to address their lack of skills and experience and to give them a more solid base to develop their careers.

Customers who are aged 25 plus will have access to other help and support offered by Jobcentre Plus including either Flexible New Deal or New Deal 25+.

Targeting the offer on the 18-24 age group, therefore, allows the specific needs of this age group to be addressed effectively and proactively.

Sexual orientation

There is no data on the sexual orientation of customers who will be impacted by either the Young Persons Guarantee or the Future Jobs Fund. It is, however, not anticipated that the sexual orientation of customers will affect their eligibility or take-up.

Religion or Belief

There is no data on the religion or belief of customers who will be impacted by either the Young Persons Guarantee or the Future Jobs Fund. It is, however, not anticipated that the religion or belief of customers will affect their eligibility or take-up.

Human Rights

There have been no Human Rights impacts identified.

Monitoring and Evaluation

The impact of the Young person's Guarantee and Future Jobs Fund will be evaluated during roll-out. We will be collecting data on programme outputs e.g. starts/completions on training, future jobs fund and conducting on-going analysis of customer characteristics to monitor take up and participation by age, gender, ethnicity and disability (as recorded on Jobcentre Plus databases).

Any disproportionate impacts negative impacts and any positive impacts will be fed back to operational and policy colleagues for discussion and action. We aim to use a mix of qualitative, survey and admin data to evaluate the policies, and hope to obtain sufficiently large sample sizes to enable sub-group analysis.

Conclusion

The Government is committed to targeting the additional support provided through the Budget towards those who face the greatest barriers to employment which is why a significant number of the jobs created through the new Future Jobs Fund will go to those people who live in deprived areas.

Many areas started the recession with greater disadvantage and we need to do all we can to ensure they do not suffer even more as a result of rising unemployment.

Part of the criteria for the Future Jobs Fund is that the jobs should be of value to the local community and greater emphasis will be given to bids from areas of high

worklessness and deprivation. Those areas are likely to contain high numbers of those groups considered under this equality impact assessment.

A range of stakeholder events were held to encourage bids from organisations to provide jobs of benefit to the local community, and in the first round of bids, a number of these have been received from third sector organisations.

In conclusion, the range of opportunities available under the Young Persons Guarantee and Future Jobs Fund will improve the employment prospects of eligible customers. It will give them the skills and experience that they need to secure long term employment. .

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