

25 MARCH 2003

Coverage: Great Britain
Theme: Labour Market

DWP Department for
Work and Pensions

Issued by:
Statistical Services
Information Centre
Information and Analysis Directorate
Department for Work and Pensions

Telephone :
Press Office : 020 7238 0866
Public Enquiries : 020 7712 2171

Website :
www.dwp.gov.uk

electronic version of this publication:
www.dwp.gov.uk/asd/workingage.html

Statistician:
Frances Goodwin
Information Centre
Information and Analysis Directorate
Department for Work and Pensions
Level 2 King's Court
80 Hanover Way
SHEFFIELD
S3 7UF

Telephone : 0114 209 8195
Facsimile : 0114 209 8189
Email:
Frances.Goodwin@dwp.gsi.gov.uk

**Next Release of Employment
Zone Statistics:**
16 JUNE 2004

EMPLOYMENT ZONES: *STATISTICS TO END DECEMBER 2003*

Future Release of Employment Zone Statistics

This Statistical First Release will be the final separate release for Employment Zone statistics. Instead of the next six-monthly publication, Employment Zone statistics will be released quarterly via the DWP Statistical Summary. The range of statistics (within the tables accompanying this release) will be published on the DWP website in the same detail as currently available. The release dates for Statistical Summary in 2004 are: Wed 16 Jun, Wed 15 Sep, Wed 15 Dec.

Introduction

Employment Zones were introduced in April 2000 to 15 areas with consistently high levels of long term unemployment. This Statistical First Release presents information on the number of Employment Zone starters and participants; the characteristics of entrants and those returning to Employment Zones for a repeat spell; together with information on numbers into employment using data to end-December 2003.

Key findings:

- 89,930 people started on an Employment Zone for the first time between April 2000 when the Zones started and December 2003. 84 per cent of entrants were male, 66 per cent were white and 21 per cent were recorded as having a disability.
- 30,230 people returned to an Employment Zone for a repeat spell between July 2001 and December 2003. These people were older on average than those starting for the first time and had longer unemployment durations.
- On 31 December 2003 there were 21,810 participants on Employment Zones, of whom 5,470 were returning for a repeat spell.
- 44,260 Employment Zone participants entered employment between April 2000 and December 2003, of whom 8,110 entered employment from a repeat spell on an Employment Zone. 33,630 of those gaining employment were in sustained work for 13 weeks or more.
- Focusing on the cohort of people who entered an Employment Zone between January 2002 and December 2002 gives a more complete picture of the percentage sustaining work as these people will have had time to progress through the programme. Of the 28,460 people in this cohort, 41 per cent had moved into employment by the end of December 2003, of which 78 per cent of jobs were sustained for 13 weeks or more.

Entrants

89,930 people started on an Employment Zone between April 2000 and December 2003. 30,230 people returned to Employment Zones for a repeat spell between July 2001 and December 2003 (Table 1).

84 per cent of first time entrants to Employment Zones were men. 66 per cent of first time entrants were White, 12 per cent were Black, 8 per cent were from the Indian sub-continent and 7 per cent were from some other ethnic origin. The relatively high number of ethnic minority entrants reflects the number of Employment Zones in London and other inner city areas. The characteristics of those returning to Employment Zones for a repeat spell in terms of gender and ethnicity were very similar to first time entrants. 21 per cent of entrants were people with a disability.

83 per cent of first time Zone participants were between 25 and 49 years old compared to 82 per cent of those returning for a repeat spell on an Employment Zone, that is, returners tended to be somewhat older than first time participants. On the 12 month zones, 30 per cent of first time entrants had been unemployed for 3 years or more compared to 43 per cent on the 18 month zones (Table 2). Those returning to Employment Zones had longer unemployment durations, 64 per cent of returners had been unemployed for 3 years or more in 12 month Zones and 51 per cent in 18 month zones. This is expected given that time participating on Employment Zones the first time round contributes to the length of unemployment.

Participants

At the end of December 2003, there were 21,810 people participating in an Employment Zone (Table 3) of whom 5,470 were participating on a repeat spell.

Numbers into employment

By the end of December 2003, 44,260 participants had moved into employment, of whom 33,630 (76 per cent) had been employed for 13 weeks or more (Table 4). This gives only a partial picture of the percentage sustaining employment because some participants may have only recently found work. A clearer picture is obtained by focusing on a cohort of individuals who started on an Employment Zone between January 2002 and December 2002 and have therefore had time to progress through the various steps.

The January 2002 – December 2002 Cohort

28,460 people started on an Employment Zone between January 2002 and December 2002. Of these 41 per cent had obtained jobs by the end of December 2003 (Table 5) of which 78 per cent of jobs had been sustained for 13 weeks or more.

There is little difference by gender or ethnic group in the percentage of entrants obtaining and sustaining work. Disabled participants were less likely to find work than non-disabled participants, 33 per cent compared to 43 per cent of non-disabled clients. Older participants were also less likely to find work than younger participants, 29 per cent of those aged 50 or over found work compared to 43 per cent of those aged below 50. However of those obtaining work, there was little difference by disability or age group in percentages sustaining work.

TABLES

Table 1 - Characteristics of entrants, aged 25 plus, into Employment Zones.

Table 2 - Unemployment duration of entrants, aged 25 plus, to Employment Zones.

Table 3 - Number of people, aged 25 plus, participating in Employment Zones.

Table 4 - Number of people, aged 25 plus, into employment from Employment Zones.

Table 5 - Job outcomes, for participants aged 25 plus, for Jan – Dec 2002 Cohort

NOTES FOR EDITORS

1. Employment Zones pool funds for training, Jobcentre Plus support and the equivalent of benefit to maximise flexibility and give individuals more say in the choices which affect them. They are designed to help long term unemployed people to find sustainable employment. Participants are guaranteed an income equivalent to their net weekly benefit entitlement for as long as they remain unemployed.
2. 15 Employment Zones (EZs) were set up in April 2000 in areas of persistently high unemployment. They are a mandatory programme for participants, aged 25 or over, receiving Income-Based Jobseekers Allowance who have been unemployed for 12 or 18 months (depending on the Zone). 12 month Zones operate in Birmingham, Doncaster, Haringey, Heads of the Valleys and Caerphilly (HOVAC), Newham, Nottingham City, Plymouth and Southwark. 18 month Zones operate in Brent, Brighton and Hove, Glasgow City, Liverpool & Sefton, North West Wales, Middlesbrough with Redcar & Cleveland, and Tower Hamlets. HOVAC changed from an 18 month zone to a 12 month Zone from August 2000.
3. Employment Zones were initially introduced for long term unemployed people aged 25 or over but the 2002 Spending Review White Paper and the Pre-Budget Report announced the extension of the Employment Zone approach to two further client groups: young people aged 18-24 years, who have already participated on New Deal for Young People, and lone parents. Although this extension took place from October 2002, this release does not contain data on either of these extended client groups because of the small numbers flowing through to date and because of the need for further quality assurance for the data. It is planned that data on these extended client groups will be released in the next set of published tables on 16th June.

4. There are three steps in the Employment Zone process. On Step 1, the participant works with a personal adviser to draw together a costed Action Plan, they continue to attend the Jobcentre each fortnight and are paid JSA (IB) by the Employment Service. Step 1 can last for up to 13 weeks. On Step 2, the participant undertakes the actions prescribed in their Action Plan, they receive a nominal amount of JSA (IB) each fortnight from the Benefits Agency and the contractor pays the remainder of their entitlement as 'subsistence'. Step 2 can last for up to 26 weeks. On Step 3, the participant begins employment and is paid a wage by their employer. For the first 13 weeks of employment, the contractor provides in-work support to assist the participant to remain in employment. Once the employment has continued for 13 weeks or more, the participant is deemed to have left the Employment Zone. All jobs are unsubsidised in nature.

5. Some participants will move directly from Step 1 to Step 3 without entering Step 2 by finding a job. If a participant enters Step 3, but loses their job before they have been employed for 13 weeks, they return to the step that they were on immediately before starting work and are able to continue with that step until their total duration on that step reaches the maximum number of weeks allowed on that step. In this way, some participants may spend longer than a year on the Employment Zone.

6. From July 2001, Zone participants who had been unsuccessful in obtaining a job after 26 weeks of active job-search in Step 2 of the programme, are re-mandated to Zones after a further 13 week period of claiming JSA (IB).

7. The source of the data is the Employment Zones Evaluation Database which merges data provided by Employment Zone contractors with information from the Labour Market System (LMS) and Joint Unemployment and Vacancies Operating System (JUVOS).

8. Numbers used in Key Findings are rounded to the nearest ten.

Enquiries

1. Public enquiries about the Employment Zone statistics should be addressed to Frances Goodwin, IAD Information Centre, Level 2, King's Court, 80 Hanover Way, S3 7UF. Telephone: 0114-209 8195 Fax: 0114-209 8189. Email: Frances.Goodwin@dwp.gsi.gov.uk

2. Press enquiries should be addressed to Jo Littleton at the Department for Work and Pensions Press Office, Telephone: 020- 7238 0749.