Written evidence from the Communities that Work DES0007

About Communities that Work:

Communities that Work is the leading membership organisation in the social housing sector and the only consortium for the sector that focuses on the employment and skills services provided to social housing tenants. With housing associations as our members, our mission is to transform lives by enabling housing providers to support people into employment.

Around half of working-age social housing tenants are out of work, and unemployment among this group is almost three times that of private renters. Creating long-term and genuinely sustainable employment opportunities for social housing tenants is vital in order to help tenants sustain their own tenancies whilst also making a crucial contribution to cutting the welfare bill.

Communities that Work works with a wide range of stakeholders to build influence and to open dialogues regarding the relationship between housing providers and employment. We have a network of contacts across the housing, employment, and political arenas, and we use this leverage to support Communities that Work's members.

We are led by our members, 100+ social landlords who own and manage 1.6 million homes across England. Our membership includes all BME-led housing associations in England, organised collectively as BME National and BME London Landlords.

Communities that Work and the Housing and Employment Taskforce:

We established and Chair the Housing and Employment Taskforce. The Taskforce is comprised of senior representatives from key national bodies that bring knowledge from social housing, learning and skills, employment services, government interventions, statistics, evaluation, and impact analysis: the National Housing Federation, the National Federation of ALMOs, the Centre for Excellence in Community Investment/HACT, the Institute for Employment Studies, the Learning and Work Institute, Youth Futures Foundation, the Institute for Employability Professionals, the Employment Related Services Association, Communities that Work and officials from the DWP and the Department for Levelling Up, Housing and Communities.

Taskforce members National Housing Federation (NHF), the National Federation of ALMOs (NFA) and CtW joint-funded Building Opportunity. This research analysed new, post-COVID data to understand the employment picture of social housing tenants, how this compares to other tenure types, and how it varies by demographic group and geographic area. It developed case studies showing how

social housing providers are tackling these challenges and supporting their tenants.

The Building Opportunity report showed how social landlords themselves are key actors in supporting employment participation, community development and economic renewal, determining how they can best play a part in addressing the challenges that we face in supporting residents and communities and how all tiers of government can help to support social landlord action.

Building on the report, we launched A Future that Works, a national campaign to advance the recommendations made in Building Opportunity. A Future that Works has gained endorsement from the NHF, the NFA, and the Northern Housing Consortium and is building support from parliamentarians and reaching out to local authorities and business communities to build better local partnerships on employment support.

The information shared below draws upon our campaign, A Future that Works and endorses the devolution of employment support, calling for a clear and consistent role for social housing.

Responses to selected areas of the Inquiry:

Our A Future that Works campaign aims to end employment poverty within some of the UK's most disadvantaged communities.

The UK is facing an unprecedented employment crisis, which is affecting the most economically vulnerable, and hardest to reach communities.

This employment crisis is born from a unique set of challenges, including:

- 9.1m people in the UK are currently economically inactive. Of those 9.1 million, 1.7 million want to be in work but are unable to get the employment opportunities they desperately need.
- Yet there are around 1 million vacancies in the UK, and thousands of businesses across the country are reporting severe staff shortages.
- But the support that the UK provides to those who want to enter work is failing, and people and businesses are suffering. It's hitting the poorest and most economically vulnerable the hardest.

The campaign is calling for a national commitment from political leaders to create systemic change to tackle unemployment, economic inactivity and in-work poverty within some of the UK's most disadvantaged communities.

We're asking all political leaders, and the next government to commit creating a Future that Works. This means:

1. Commit to ending employment poverty within five years. *The world has fundamentally changed, and we need to redesign employment support for those out of work and who want to work. We need a bold plan to end employment poverty for those who can and want to work.*

2. Commit to working locally to deliver employment support. Focus on providing jobs locally for local people and those who are in employment poverty, and abolish top down, centralised employment support.

3. Don't go it alone. Work with local leaders, businesses and social housing providers to make sure any investment in local support matches local need.

1. **Commit to ending employment poverty by 2030.**

The UK has a hidden employment crisis: unemployment is less than 4%, but our economic inactivity rate is steadily climbing.

The UK's economic inactivity rate – measured as the proportion of the working age population that is neither in work nor looking for work – reveals a real problem.

Statistics from the Office for National Statistics (ONS) show that there were half a million more people out of the labour force due to long-term sickness between spring 2019 and summer 2022. This economic inactivity has grown considerably since the start of the pandemic. More than half (55%) of those out of the labour force are aged between 50 and 64, whilst the proportion of 25-34 year olds out of the labour force rose by 42%.

Today in the UK, 9.1m people in the UK are currently economically inactive, but of those 9.1 million, 1.7 million want to be in work but are unable to get the employment opportunities they desperately need.

However, the UK's employment support policies remains largely focused on people who are unemployed and on out-of-work benefits. This means that those 1.7million people who are 'economically inactive' but say they want to work will likely miss out on the support to find work. If we are to expand our labour force and increase the employment rate, that needs to change.

The crises that we are facing now are fundamentally different to those that we faced when the government launched its 'Plan for Jobs' in the summer of 2020. The UK now needs a new plan that can invest in specialist employment support for those out of work and who want to work; broaden access to mainstream employment services; strengthen local partnerships and alignment, including with wider services like health, childcare and transport; and work better with employers.

If we don't take drastic action now, we risk pushing some communities even further into poverty. We need a bold plan to end employment poverty for those who can and want to work.

We're asking all political parties to commit to ending employment poverty by 2030, within five years of the next general election.

- 1.7million Million people in the UK want to be in work but are unable to get the employment opportunities they desperately need (ONS)
- There are 500,000 more people out of work following the covid-19 pandemic than there were in 2019 (ONS)
- There are 1.1 million vacancies in the UK, and thousands of businesses across the country are reporting severe staff shortages (ONS)

2. **Commit to working locally to deliver employment support.**

The employment support given to those who want to enter work is failing to reach most economically inactive people across our communities.

Leadership on employment support is scattered across government. The government invests around £20 billion on 49 national employment and skills-related schemes or services across England, managed by multiple Whitehall departments and agencies, and delivered over different boundaries by various providers.

The critical problem with the current employment support is that it struggles to understand the local needs and characteristics of the local employment market. This creates missed opportunities to solve local barriers to training and employment support.

Investment and employment support interventions can only work if they are focused on supporting local people, including learners, unemployed people, career changers – as well as supporting local leaders, businesses and other employers.

As endorsed by the LGA's Work Local Campaign, a joined up and locally responsive employment and skills offer is critical. Councils and Combined authority leaders should be given greater powers to oversee the design of employment support programmes, working directly with critical local partners such as social landlords and civic society organisations, to help target 'hard to reach' communities, and remove barriers to accessing work.

There has been a growing focus on building local partnerships in recent years - particularly in working with combined authorities and developing pathfinders for local employment and skills provision (Building Opportunity report).

The Department for Education's (DfE) introduction of the local skills improvement plans (LSIPs) and a new local skills improvement fund (LSIF) is a welcome step to place employers at the heart of local skills systems, but it doesn't go far enough. LSIPs should be expanded to include representations from local social housing providers.

Social landlords have an important role to play in shaping local skills provision, including working directly with colleges and providers and contributing to LSIPs.

Social housing providers are uniquely well-placed to support those furthest from work–because landlords have regular contact with their tenants and are often relatively well-trusted in their communities.

Leverage landlords' roles as 'anchor institutions' – with landlords often using their roles as large local employers and commissioners of services to drive change in their communities and among their suppliers.

We are calling on the next government to:

- Work locally to deliver employment support
- Commit to working with the social housing sector. Social Housing providers should be involved in the new LSIPs – as they are critical partners in the battle to help people who want to find employment and paid work.

3. **Don't go it alone: we can achieve more together.**

To make employment support work, the next government needs to work with local leaders, businesses and social housing providers to make sure any investment in local support matches local need.

Housing providers are the second biggest investor in employment support after the Department for Work and Pensions, contributing an estimated £76 million in employment support services for their residents and communities in 2019-20. In the same fiscal year, the 60 largest housing associations alone contributed more than £100 million into wider community investment initiatives (IPPR).

Social housing providers are critical allies for employment support, as their tenants are more likely to be in need of employment support services than any other tenure. 40% of social housing tenants across the UK are economically inactive (either not actively seeking work or not able to start work), which is more than double the economic inactivity rates of people living in other tenure types.

Social housing providers are already investing their own funds into employment support and community investment. By co-designing and co-investing, the UK government will be able to amplify work that is already underway and ensure better employment outcomes through joint investment.

Tapping into local insight and proven ability to give people the tools they need to overcome barriers and succeed will ensure UKSPF delivers sustainable, inclusive growth.

We are asking the next government to:

- **Don't go it alone**: Work with local leaders, businesses and social housing to make sure any investment in local support matches local need.
- **Co-invest with social housing providers**. If the government works more closely with social housing providers, the government can invest "Pound for Pound", and work with local delivery partners to develop the right skills

support for those most in need. We can do more together if we invest together.

Inquiry Response:

Communities that Work has promoted and encouraged our members to submit evidence to this Inquiry in addition to this collective response.

Social housing providers are critical local partners for employment support. Many social housing providers deliver bespoke support that grow local economies based on specific resident and local community needs.

Social housing providers often build strong partnerships and co-ordinate activity locally – with many playing a key role within local communities to bring together services, align provision, and then use this to reach more people and deliver more joined-up, person-centred support.

Landlords often act as “community anchors” who connect with vulnerable and hard-to-reach people every day, and work with partners to bridge gaps and create opportunities, ensuring that no one is left behind.

We believe that the direct delivery experience and community outreach our members deliver first-hand are important voices to bring to the inquiry.

CtW is submitting evidence here in order to bring our experience and that of our members to the fore. A complete listing of our members can be viewed here.

This submission was prepared by the Managing Director of Communities that Work and draws on the experience of our membership base. However, any of our members may also submit their own evidence separately.

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