

United Kingdom and Ireland

2024

Transforming Lives Through Employability Support

Who needs support to find work - and who
isn't getting it?

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About The Salvation Army

The Salvation Army is a worldwide Christian church and registered charity, which has tirelessly fought against social inequality to improve the lives of the most vulnerable and marginalised people in our society for over 150 years. The Salvation Army believes in putting faith into action and serving God by serving others; offering practical support to all who need, regardless of ethnicity, religion, gender, or sexual orientation.

The Salvation Army work and live in over 620 communities across the UK and have developed a deep understanding of local needs of them and the people within them. Our presence in left behind communities has evolved to better support those we serve. Sadly, while for some living standards have improved, we continue to fight many of the same ills - homelessness, modern slavery, poverty, addiction, social exclusion and isolation, debt, unemployment, and the exploitation and abuse of vulnerable people.

About Employment Plus

The Salvation Army's Employment Plus programmes operate at the heart of communities in more than 120 locations across the United Kingdom. Employment Plus offers tailored support to help people become job ready. Through a compassionate and holistic approach, with wrap-around support, Employment Plus builds participant's confidence, soft skills, and wellbeing - empowering them to tackle some of the obstacles they face personally and professionally such as self-esteem, health issues, addictions, or debt.

See Annex: More About Employment Plus for more information.

Foreword

Founder of the Salvation Army, William Booth, wrote in 1908¹:

“We all ought to have some task which we are responsible for ... for our own welfare and of those about us ... Work gives dignity and confers honour ... and is necessary for good health ... and happiness”

Since opening our first Labour Exchange in 1890 The Salvation Army has seen the transformative impact employability support has on people’s lives, and the difference this can make to their standard of living. We know from our long-running employability support that even taking the steps towards work is beneficial for people’s health, wellbeing and happiness by building self-worth, autonomy, and confidence; or stabilising personal circumstances such as their accommodation, debt and financial management, personal relationships, or health. Given the right support and time, people can gain back their dignity, are empowered to unlock and realise their potential, and offer their contributions to society of any kind (whether that be caring for a loved one, studying, training, volunteering, or employment).

This report highlights an opportunity to adjust the lens through which we approach unemployment and worklessness, and help people who are currently at a distance from the labour market but who want to work. Our experience in delivering employability support for over 130 years is that people, with the right support and empowerment, can achieve their full potential and transform their lives.

“Every day, our Employment Plus services see people who are desperate to work but their circumstances hold them back. People often come to us because there is no other support available to them.

This report shows how the current focus of mainstream employability support on people who meet the strict definition of ‘unemployed’ excludes a huge number of people who want paid work. We want to see Government invest in the ‘real unemployed’, making sure the 1.7 million people who are economically inactive get the support into employment they need.

Supporting people who have been held back from work for many years takes time and money, but the investment into people has a positive ripple effect. Employment gives people independence, and can keep people healthy and support families”

Rebecca Keating, Director of Employment Plus

Josh Adcock (Author)
Policy Analyst
The Salvation Army

With thanks to:

Dr Andrew Connell
Policy Manager
The Salvation Army

¹ ‘Good work’, p. 05, in *The Salvationist*, 9th December 2023 Issue. Available at: https://issuu.com/salvationarmyuk/docs/salvationist_9_dec_2023 [Accessed on 11th March 2024].

Executive Summary

In this report, we draw on published labour market data from the United Kingdom's (UK) Office For National Statistics (ONS) to show that in the UK, **only half (1.6 million) of the 3.2 million people who are out of work and want a job, receive mainstream employability support through the social security system.**

Structural changes to the labour market since the pandemic have also worsened people's outcomes with the level and rate of people out of work and not looking or available for work (economically inactive) rising, largely driven by worsening health.

Mainstream employability support takes a work-first approach that prioritises compliance over meaningful and effective support. Those claiming unemployment related benefits are required to search for work and receive support in doing so. But we fear this could lock people who want a job, but are not claiming unemployment benefits, out of employment support. These people are often the furthest from the labour market - but they want to work.

There are more people who are economically inactive but want a job than there are unemployed people. Adding these two groups together, there are 3.2 million people who are 'real unemployed'.

We should aim to support all of those who want to work into quality employment and be mindful that the length of that journey can vary depending on the needs of individuals. Policy must be joined up to ensure welfare helps people to thrive and employment support improves quality of life.

Recommendations

To ensure people are able to access the support they need, The Salvation Army recommends that:

- 1. The Department for Work and Pensions (DWP) take a human capital approach to employability support, with less emphasis on compliance and greater emphasis on tailored and holistic support.**
 - Employability support delivered by DWP should use the human capital approach, supporting people into quality work and not just any job and empower them to achieve a sustained improvement to their living through skills and personal development.
 - DWP must halt the use of **full award sanctions** which withdraw benefits completely from people who do not comply with work search conditions. DWP should reserve their use for extreme cases, given the increasing evidence - some of which DWP produced - of their ineffectiveness and harm.
- 2. His Majesty's Treasury (HMT) and the Department for Levelling Up, Housing and Communities (DLUHC) replace UK Shared Prosperity Fund (UKSPF, which pays for many unemployment and employability services) with an Employability and Social Fund, integrating a clear national direction with local ringfencing of funds and local commissioning of projects. The fund should allow Government, local decision makers and employability support providers to plan for the long-term and reach people furthest from the labour market, whilst enabling greater value for money.**
- 3. The incoming Government should commission an inquiry at the highest level to establish the nature and extent of poverty and set up a taskforce to eradicate it.**

Key Terms

Economically Active Also referred to as the labour force. This includes people who are

- in employment (an employee or self-employed)
- unemployed, but waiting to start a job that had been offered and accepted
- unemployed, but looking for work and could start within two weeks

Employed Employment measures the number of people in paid work or who have a job that they are temporarily away from (for example, because they were on holiday or on maternity leave). This differs from the number of jobs because some people have more than one job.

Employment Rate The employment rate is the proportion of people aged between 16 and 64 years who are in employment.

Unemployed Unemployment measures people without a job who have been actively seeking work within the last four weeks and are available to start work within the next two weeks.

Unemployment Rate The unemployment rate is not the proportion of the total population who are unemployed. It is the proportion of the economically active population (people in work and those seeking and available to work) who are unemployed.

Economically Inactive People who are not in employment but do not meet the definition of unemployment. This is because they have not been seeking work within the last four weeks and/or they are unable to start work in the next two weeks.

Economic Inactivity Rate The economic inactivity rate is the proportion of people aged between 16 and 64 years who are economically inactive.

Claimant Count The Claimant Count is an official statistic that measures the number of people who are receiving a benefit principally for the reason of being unemployed. Currently the Claimant Count consists of those receiving Jobseekers' Allowance, and Universal Credit claimants in the "searching for work" conditionality group.

Vacancies Vacancies are defined as positions for which employers are actively seeking recruits from outside their business or organisation. The UK Government's Vacancy Survey gathers information from businesses to provide estimates of the stock of vacancies across the economy.

Defining and measuring worklessness

Unemployment is an important measure in understanding the health of the nation and local communities, the standard of living of an individual or household and deprivation. However, the term unemployment refers only to those who are seeking and are available to start work, not all people who are not working (see 'Key Terms' above).

Economic inactivity is a term used to refer to people out of work who are not looking for a job and/or have not searched in the previous four weeks and/or are not available to start work within the next two weeks.

The time constraints on work searching and work availability are the key differences between people who are unemployed and people who are economically inactive; the latter do not meet one, or both, of those conditions. Some people who are economically inactive want a job - that is, they have expressed interest in finding work but still do not meet these conditions.

While data are useful for giving an overall picture of the labour force, it is important that we remember there are people behind the numbers. Many of the people The Salvation Army supports through our employment service, Employment Plus, have been unemployed for a long time or are economically inactive but want a job. Life can be chaotic and complicated - a person's labour market status could change quickly, so too could their trajectory in life. Some people just need someone to believe in them, regardless of their current circumstance and the data in this report suggests some people are being left behind and excluded from such support.

Worklessness and poverty

People who are economically inactive are not necessarily poor: some can afford to choose not to undertake paid work. Finding work is not the silver bullet to escaping poverty - for some, it is not an option in the immediate term, and for others in the long-term or at all. The cost-of-living crisis has further eroded the ability of work to lift people out of poverty and may exacerbate some of the barriers keeping them from finding and maintaining work (such as problem debt or food poverty and the associated health impacts). The Department of Work and Pensions' Households Below Average Income (HBAI) after housing costs (AHC) dataset² shows that nearly half of working age adults in relative poverty were in households where someone was in work. But for people who want to work and people who can work but face complex barriers (regardless of benefit claimant status), employability support is crucial for improving quality of life. Some of these people are often out of touch with mainstream Government support and rely on community spirit and charity to get by. This, no matter how delicately it is handled, is degrading and undignified way to live.

² Households below average income: for financial years ending 1995 to 2022 ([DWP, 2023](#))

A depleting pool of labour

Two major warning signs of a struggling economy are rising inflation and rising unemployment; when this occurs simultaneously it is referred to as stagflation. Despite the economic challenges faced by the UK in recent years, unemployment has remained historically low - yet demand for our employability services has not. This report finds that between 2014 Q1 and 2024 Q1 there were more people economically inactive who wanted a job, than there were people who were unemployed. This may have led to hidden stagflation; hidden high real unemployment and high inflation stalling productivity and economic growth.

People in the UK are living longer, and are living with more health conditions and disabilities^{3,4,5}. This has gradually changed the structure of the labour market overtime and was accelerated across the course of the pandemic. We must rethink the way employability support is provided both directly by, and indirectly through, the state: who is eligible for it, how it is funded, and the approach taken to encourage people to engage is fundamental to repairing and improving the labour market. Although the 'real unemployed' cohort discussed in this report includes those that do not meet the definition of unemployment, in our experience of delivering employability support since 1890, if people who want to work are given the right support, they will be able to find and maintain work if the jobs are there. Much of this support is best delivered at a local level, but national policy (and join up across policy areas) is vital to a healthy support pipeline.

Key findings: who is economically inactive?

This section of the report explores where these workers have gone, and whether they are seeking work or outside the labour force.

In Q1 2024 there were **9.3 million (M) people in the UK who were economically inactive**. Of these **1.7M wanted a job**. In addition, there were **1.5M people registered as unemployed** (and therefore technically economically active). This brings the **total number of people who do not have a job but want one to 3.2 million**. (See Figure 1.)

More females were economically inactive than males, and the proportion of economically inactive females who wanted a job was slightly lower than the proportion of economically inactive males wanted a job. Conversely, there were **more registered unemployed males** than registered unemployed females (see figure 2).

³ Life expectancy; past and projected by cohort, 2020-based, 1981-2070, UK ([ONS, 2021a](#)).

⁴ Disability, England and Wales: Census 2021 ([ONS, 2023d](#))

⁵ The country is getting sicker: the urgent need to address growing health inequalities and protect our health in the face of an economic crisis ([British Medical Association, 2022](#)).

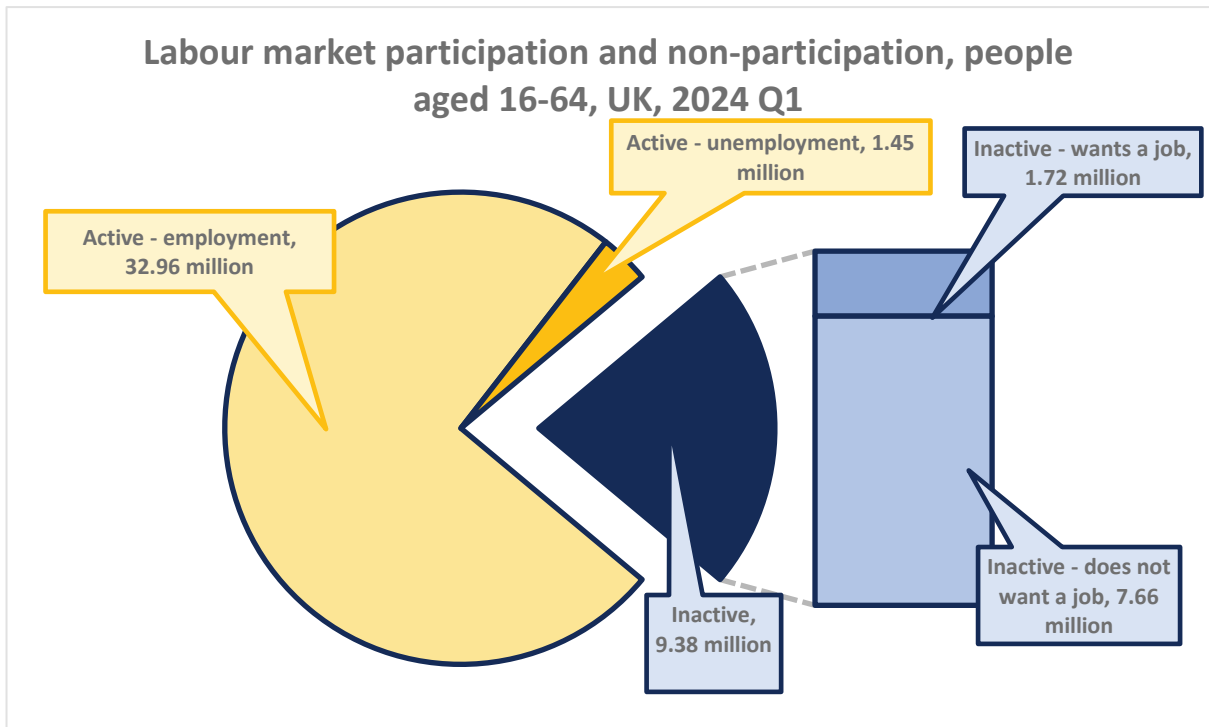


Figure 1 - Labour market participation levels by economic activity status, 2024 Q1; active people are labour market participants, and inactive people are non-participants. Source: Office for National Statistics (ONS), Labour Force Survey (LFS).

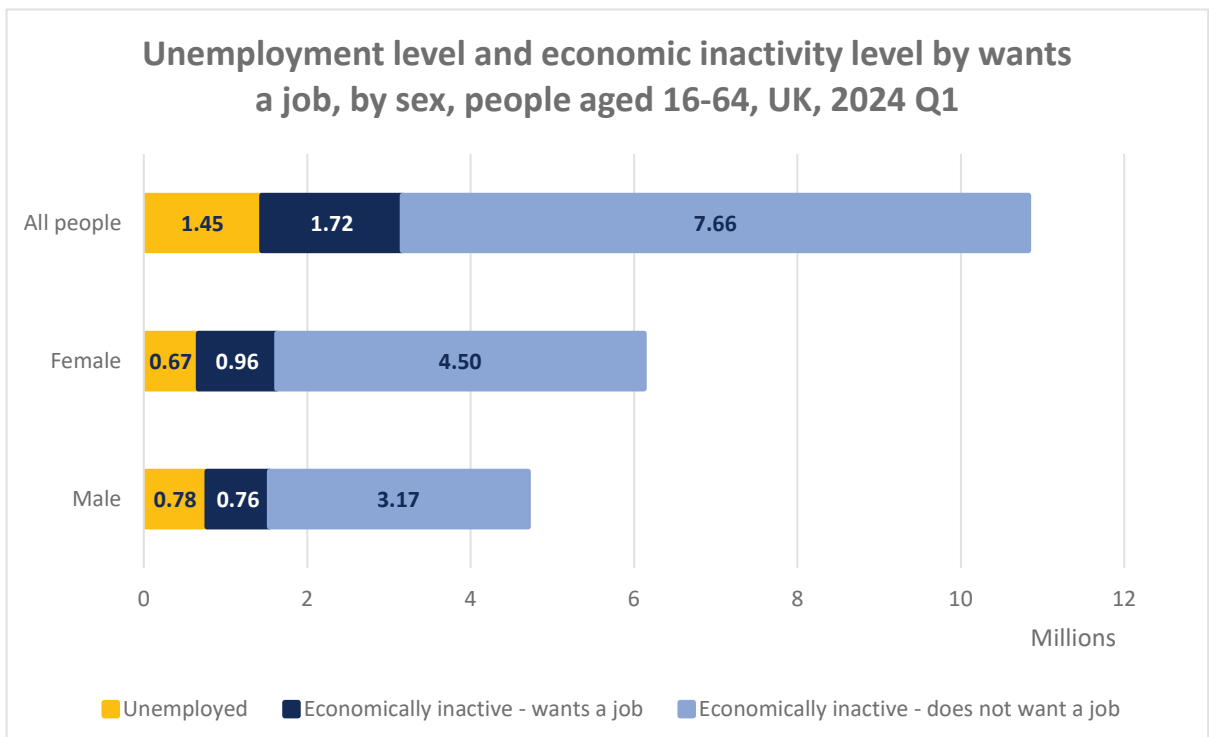


Figure 2 - The number of economically inactive people in 2024 Q1, by their sex and whether they want or do not want a job. Source: ONS, LFS.

Figure 3 helps explain this difference between males and females by looking at the main reasons for economic inactivity among people who are economically inactive but want a job. The stark difference in those with caring responsibilities offers one explanation as to why a higher proportion of males wanted to work (whether unemployed or economically inactive) than females.

Economic inactivity in the UK has changed over time. Between 2014 Q1 - 2020 Q1, economic inactivity fell by 1.5 ppts, but since 2020 it has risen by +1.2 ppts: this is largely due to the health, social and economic impacts of the pandemic, an increased number of students⁶, people retiring earlier⁷ and rising ill-health⁸. The main reason people give for being economically inactive changes overtime, probably reflecting changes in life stages and personal circumstances. Figure 4 shows an alarming rise in long-term sickness since the turn of the pandemic.

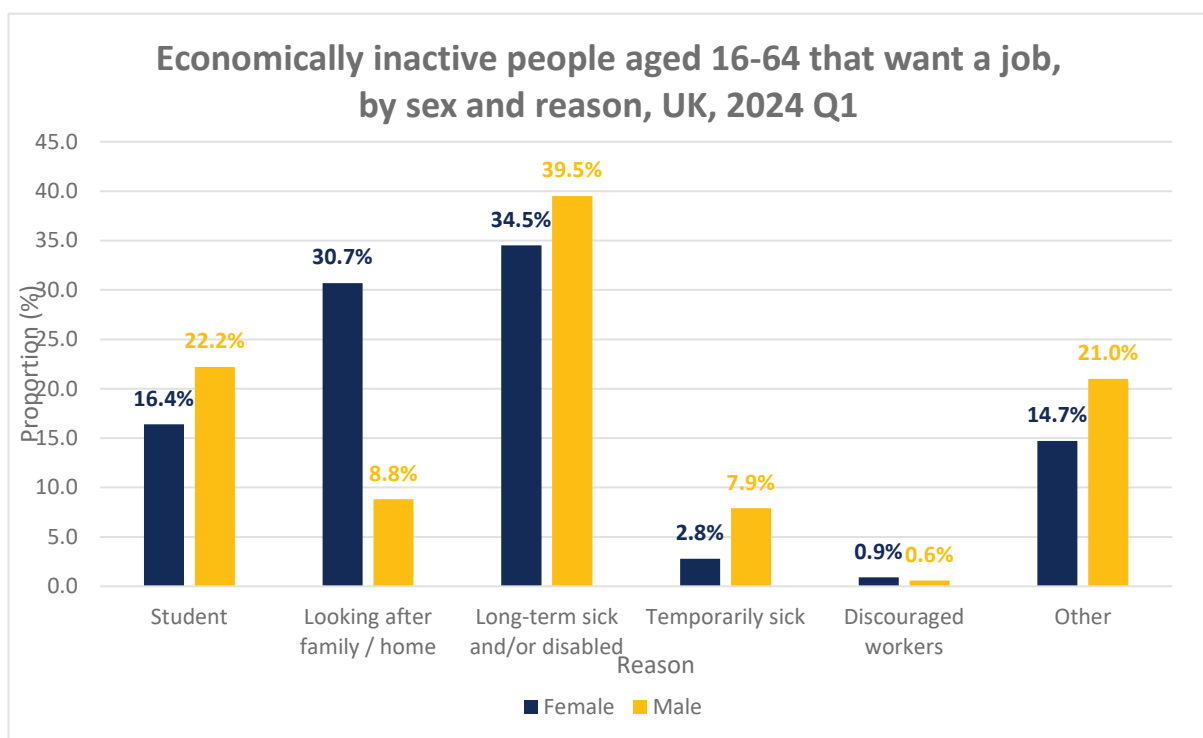


Figure 3 - The proportion (%) of people aged 16-64 who were economically inactive and want a job giving each of the main reasons for labour market non-participation, by sex, 2024 Q1. Source: ONS, LFS.

⁶ Labour Market Statistics, January 2022 ([Institute for Employment Studies, 2022](#))

⁷ Is worsening health leading to more older workers quitting work, driving up rates of economic inactivity? ([IFS, 2022](#))

⁸ The Great Retirement or the Great Sickness? Understanding the rise in economic inactivity ([Lane Clark & Peacock, 2023](#))

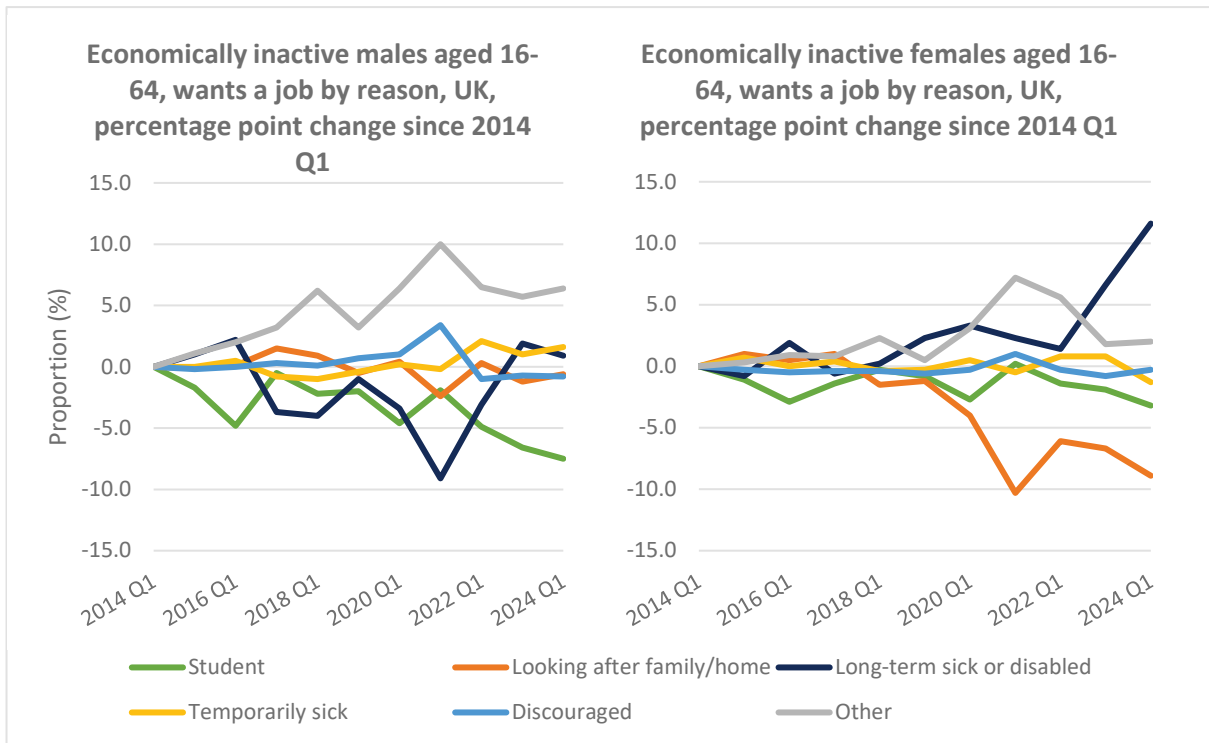


Figure 4 - The proportion (%) of people aged 16-64 who were economically inactive and want a job giving each of the main reasons for labour market non-participation, 2014 Q1 - 2024 Q1. Source: ONS, LFS.

Figures 5 and 6 show that the official **employment** rate, for men and women, rose between 2014 Q1 and 2020 Q1, before falling sharply (especially for men) at the time of the pandemic. It then recovered, but still remains below its pre-pandemic peak.

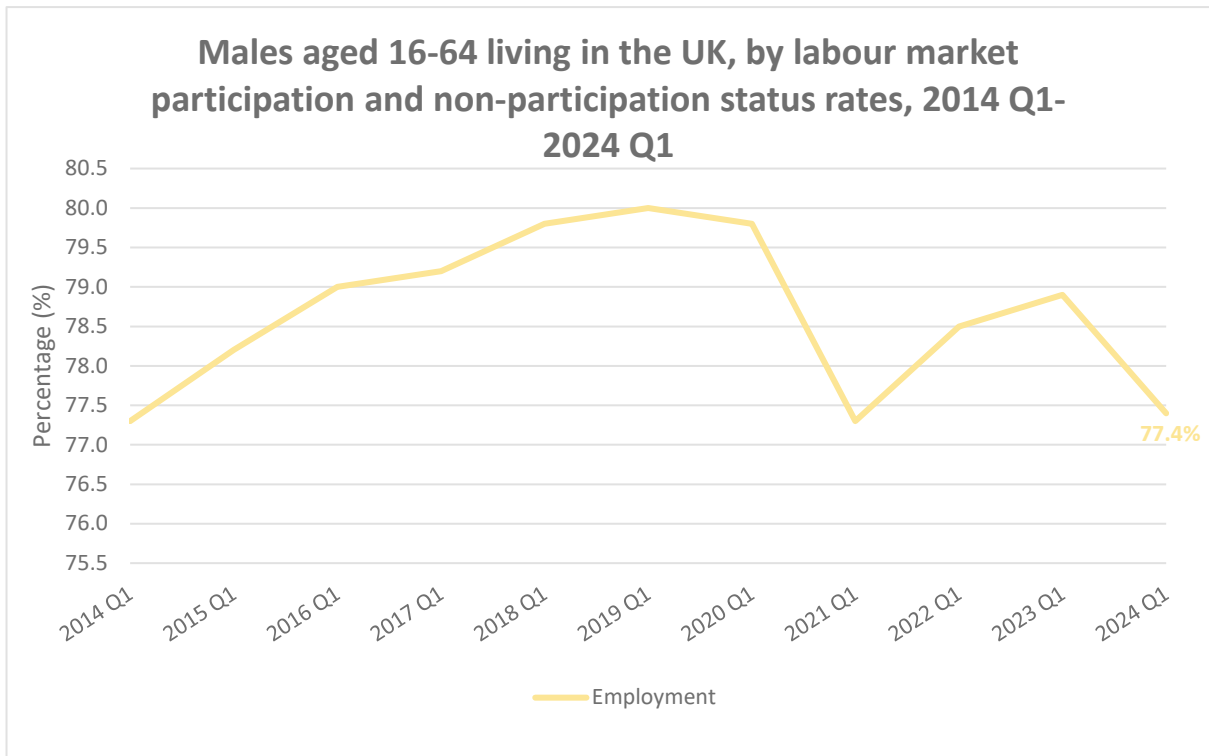


Figure 5 - Official employment rate, males aged 16-64, 2014 Q1 - 2024 Q1. Source: ONS, LFS.

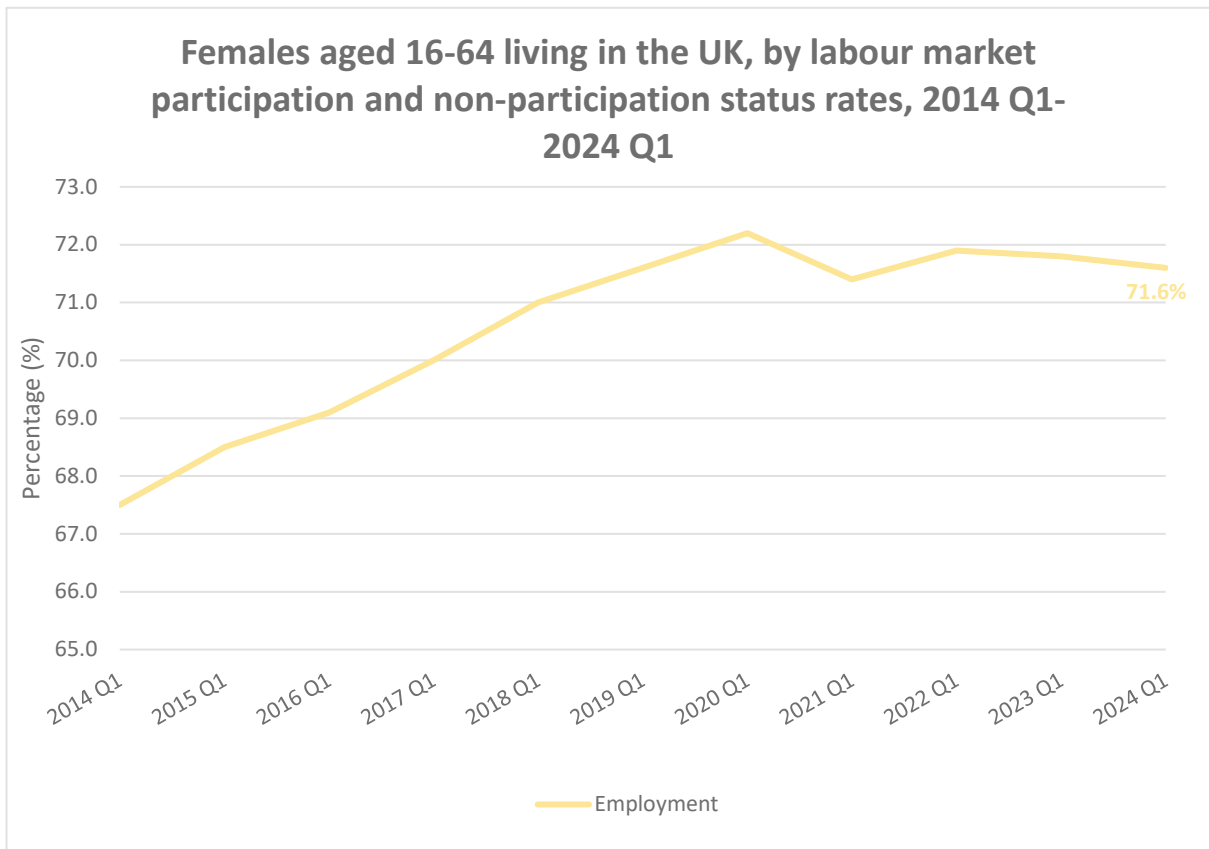


Figure 6 - Official employment rate, females aged 16-64, 2014 Q1 - 2024 Q1. Source: ONS, LFS.

The fall in the employment rate did not directly translate into a much higher unemployment rate (Figure 7), although it is likely to have contributed.

In order to understand where the missing workforce is and to distinguish those who do want to work from those that do not, this report estimates a ‘real economic inactivity rate’ (see Technical Annex) of people who are not in paid work and do not want a job. This was broadly flat between 2014 Q1 and 2019 Q1 but rose significantly following the pandemic and remains above its 2014 figure (Figure 7). This indicates that the workforce has shrunk - some people who left employment have not returned and are not seeking work. Again, there are differences between males and females here.

The ‘real economic inactivity’ rate for men is lower than the rate for women but the rise in the rate for men is much higher.

The rest of the economically inactive cohort has been converted into a rate in order to understand their size in proportion to the official labour force - the ‘estimated inactive but want a job’ rate. We explore this in detail in the Technical Annex to this report, but crucially it supports the points that **many people exited the labour market, rather than falling into unemployment, and that some of these people want to work and are likely facing significant barriers in doing so.**

Figures 7, 8, and 9 present trends over time in the official unemployment, ‘real inactivity’, ‘economically inactive - wants a job’, and ‘real unemployment’ rates for the workforce as a whole, and for males and females.

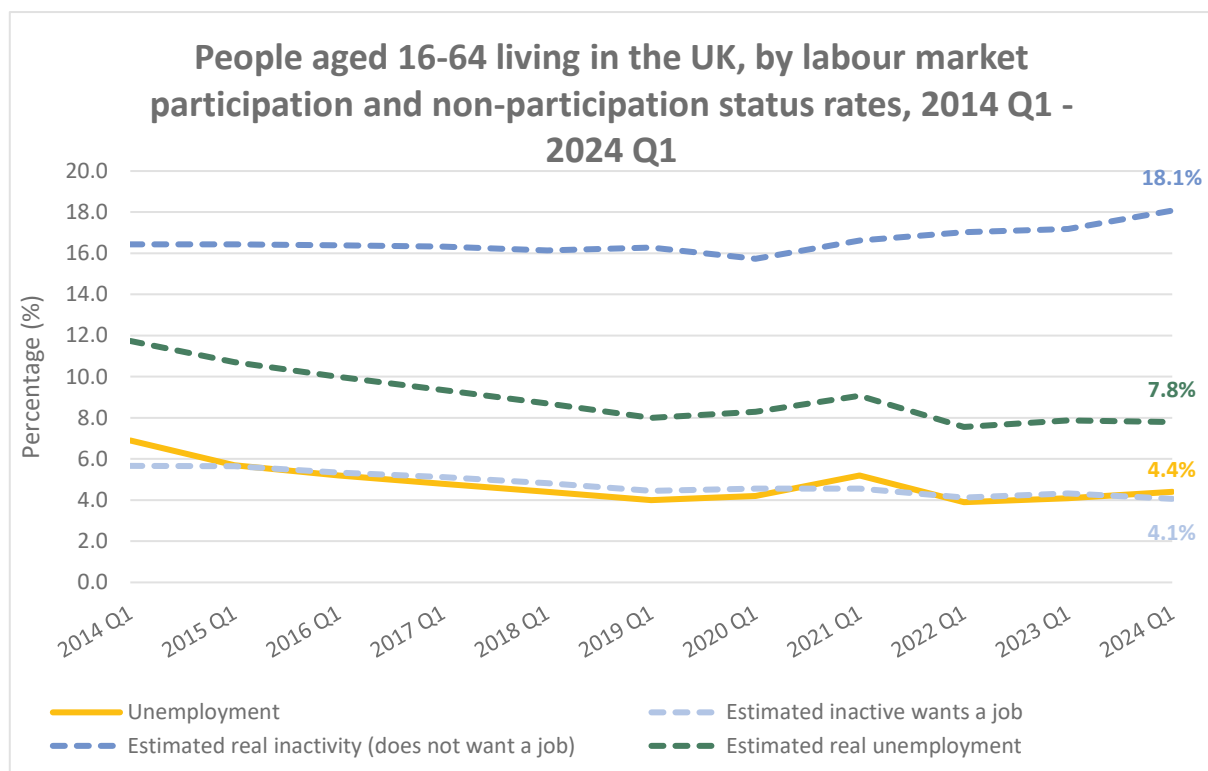


Figure 7 - Official unemployment rate (solid line) and author’s estimated rates; real inactivity, economically inactive - wants a job, and real unemployment (dashed lines), all people aged 16-64 2014 Q1 - 2024 Q1. Source: ONS, LFS.

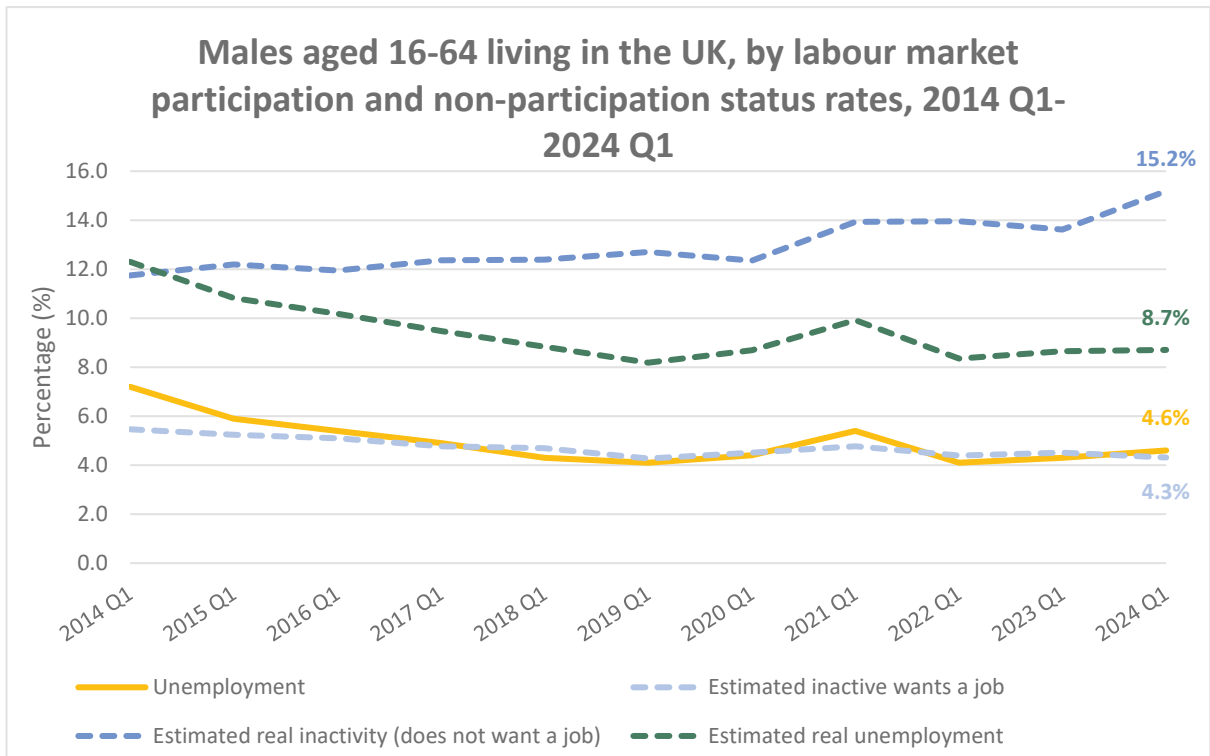


Figure 8 - Official unemployment rate (solid line) and author's estimated rates; real inactivity, economically inactive - wants a job, and real unemployment (dashed lines), males aged 16-64 2014 Q1 - 2024 Q1. Source: ONS, LFS.

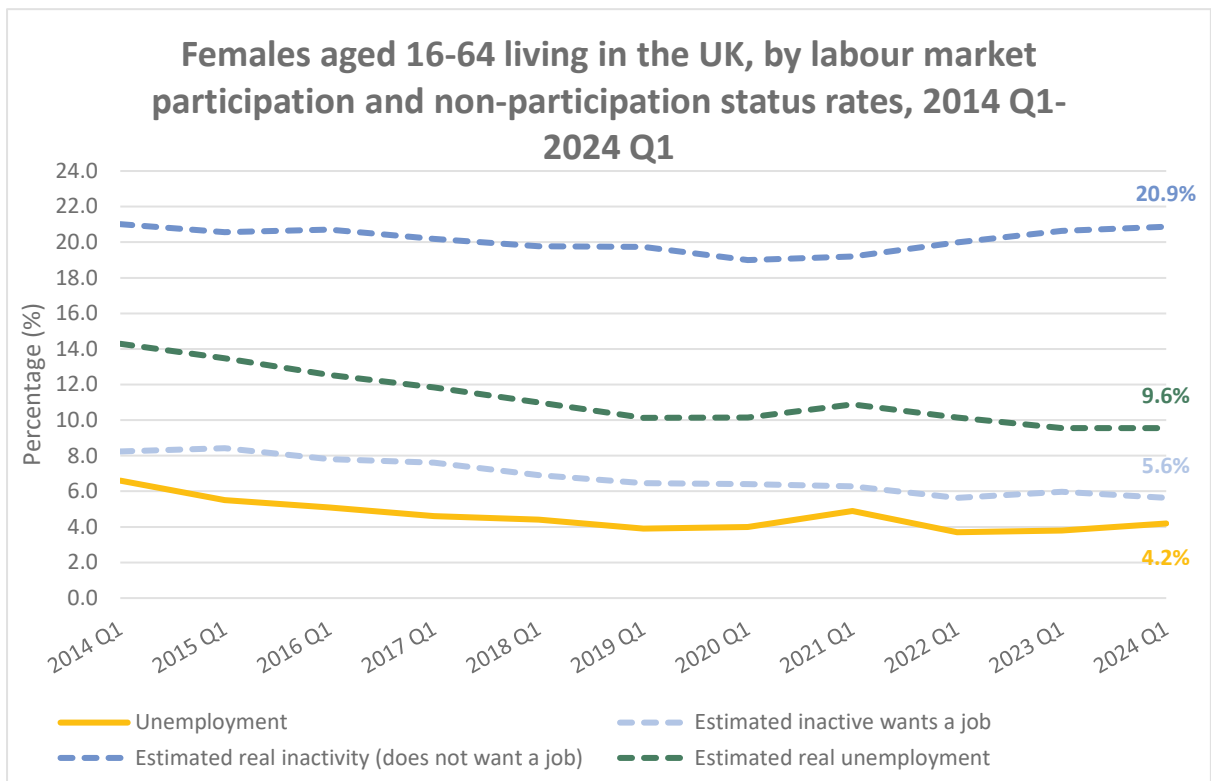


Figure 9 - Official unemployment rate (solid line) and author's estimated rates; real inactivity, economically inactive - wants a job, and real unemployment (dashed lines), females aged 16-64 2014 Q1 - 2024 Q1. Source: ONS, LFS.

Who is receiving mainstream support to find work?

In the UK, particularly England, support offered by the Government is predominantly delivered through the social security system⁹ and captures those closer to the labour market. People who are available and able to work that want to claim benefits are subject to conditionality and receive basic support to find work. Employability support for those who are long-term unemployed, discouraged or economically inactive has historically been delivered outside the welfare system and separately funded - for example, through the European Social fund and now, the UK Shared Prosperity Fund.

ONS measure the number of people claiming unemployment related benefits using administrative social security data - the claimant count. The unemployment rate and claimant count rate trends follow similar patterns, but the levels are not equal as not all unemployed people claim unemployment related benefits; the claimant count therefore represents a subset of the unemployed cohort. **It is the people in the claimant count who are most likely to receive mainstream support to find work.**

The claimant count rose to a peak of 2.6M in 2021 Q1 - a symptom of the impacts of the pandemic - and remains significantly above the pre-pandemic rate (Figure 10). Between 2014 Q1 - 2020 Q1 the unemployment rate was higher than the claimant count rate - this changed in the year to 2021 Q1 and remains +0.5 ppt higher in 2024 Q1. This was driven mainly by an increase in the male claimant count between 2020 Q1 - 2021 Q1 rate given the female claimant count rate was only +0.1 ppt above the unemployment rate in 2021 Q1 (Figure 11).

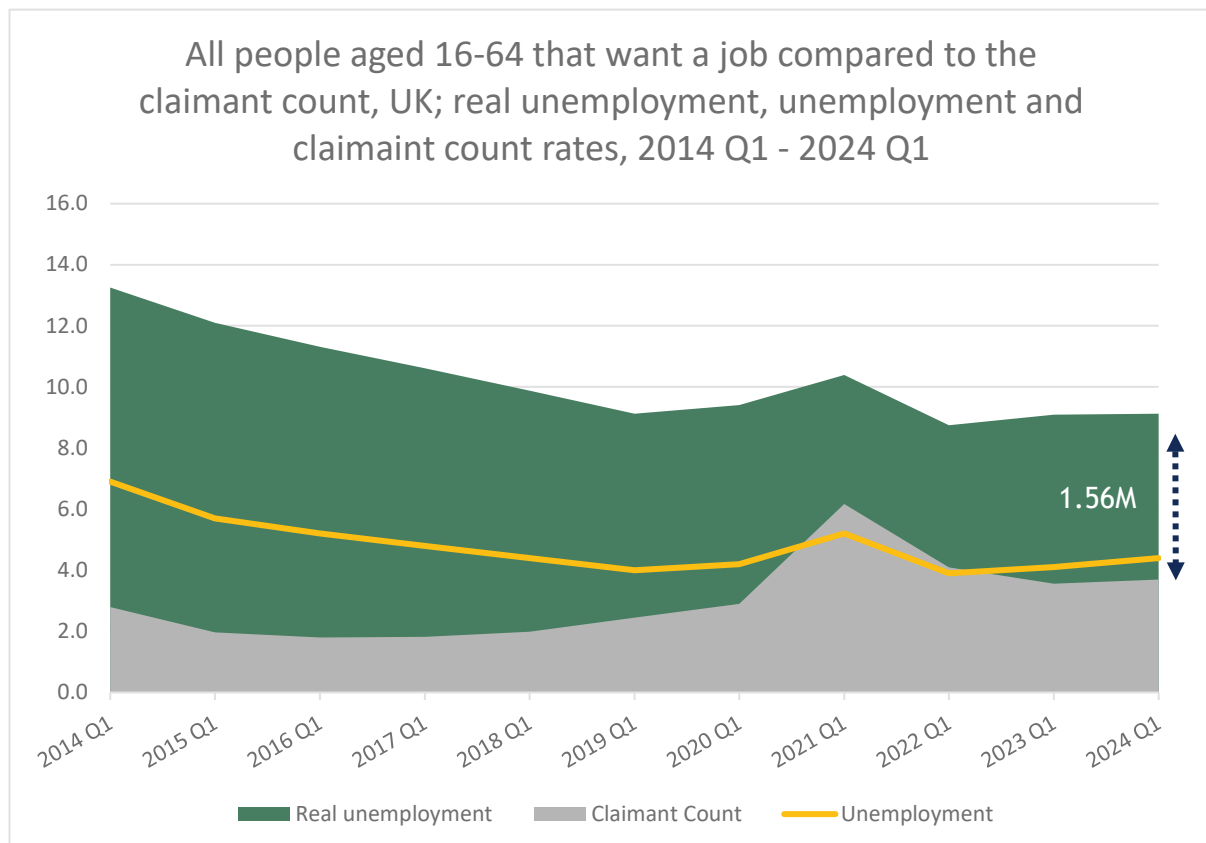


Figure 10 - The (author's) estimated real unemployment rate and the ONS claimant count rate, people aged 16-64, UK, 2014 Q1 - 2024 Q1. Source: ONS LFS and CLA01

⁹ Department for Work and Pensions Outcome Delivery Plan: 2021 to 2022 ([DWP, 2021](#))

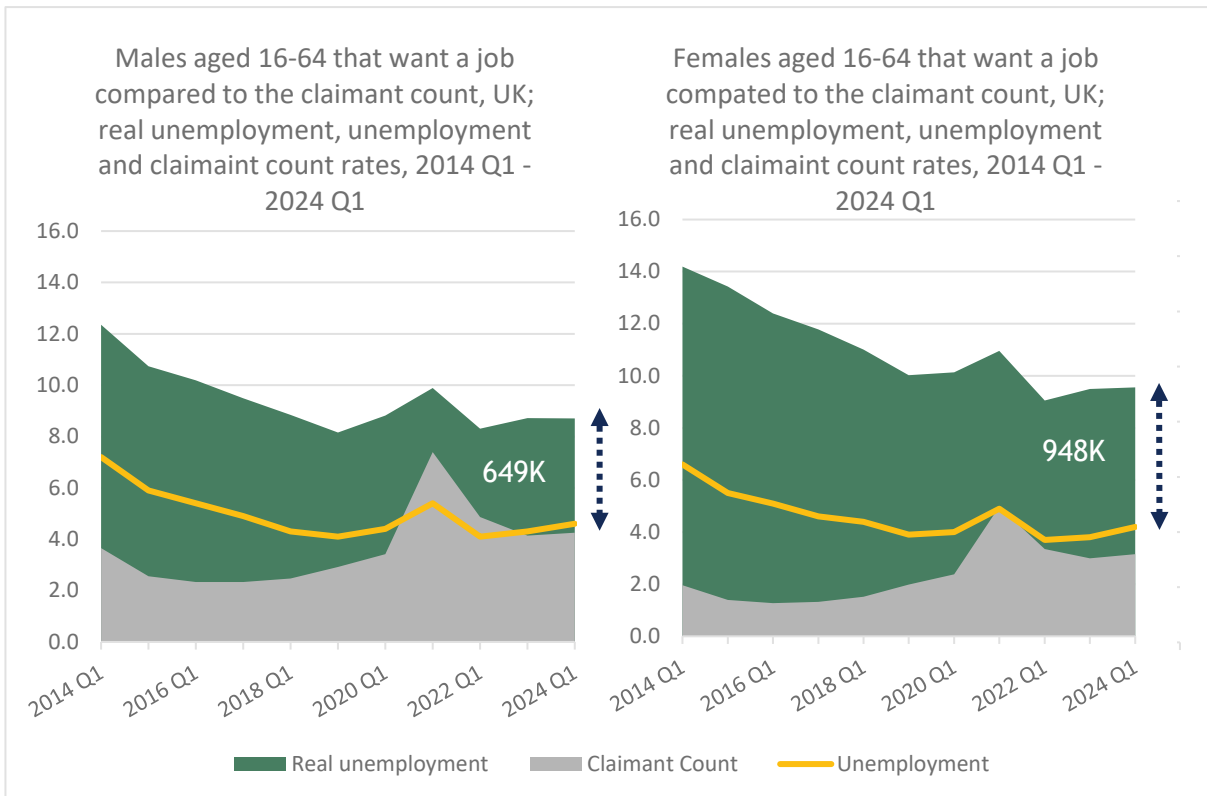


Figure 11 - The (author's) estimated real unemployment level and the ONS claimant count level, people aged 16-64, UK, 2014 Q1 - 2024 Q1. Left hand side (LHS) - males, right hand side (RHS) - females. Source: ONS CLA01

Some people who want to work may not qualify for unemployment benefits, some may not want to claim, and some may have been excluded from claiming. It is also worth noting that DWP does provide light touch support for other groups that are not exposed to full labour market job seeking conditions. That said, there is significant under claiming of £18.7 billion (B) of income-related benefits and social tariffs are unclaimed each year; £7.6B of which is Universal Credit, affecting 1.3M eligible households¹⁰. Some of those who are not claiming benefits may well also, as a result, be missing out on support that could help them move towards employability (see 'Jackie's Story' below).

When comparing the estimated level of real unemployment with the claimant count, it becomes apparent that a significant number of people who want a job are not receiving mainstream support; 3.2M are 'real unemployed' but only 1.6M people are receiving mainstream employability support through the benefits system.

With up to 3.2M people wanting work, Government must consider whether mainstream employability support targeted at those claiming social security is the most effective way of reaching all individuals that want to work - and whether benefit conditionality and sanctions work for those who do make it onto the claimant count. In our experience, the strict nature of the conditionality regime can discourage people from claiming and leave people in hardship coming to The Salvation Army for support to cover the cost of essentials.

¹⁰ Missing out: £19 billion of support goes unclaimed each year ([Policy in Practice, 2023](#))

Government must also consider their role in supporting and encouraging job creation; in 2024 Q1 there were 1.6 unemployed people per vacancy and 3.5 real unemployed people per vacancy (Figure 12). Both ratios had been trending down between 2014 Q1 - 2018 Q1, and both ratios faced a significant peak during the pandemic. Both ratios have increased year-on-year since 2021 Q1, with the real unemployed-vacancy ratio rising more steeply, suggesting the changes in the inactive but wants a job cohort are responsible.

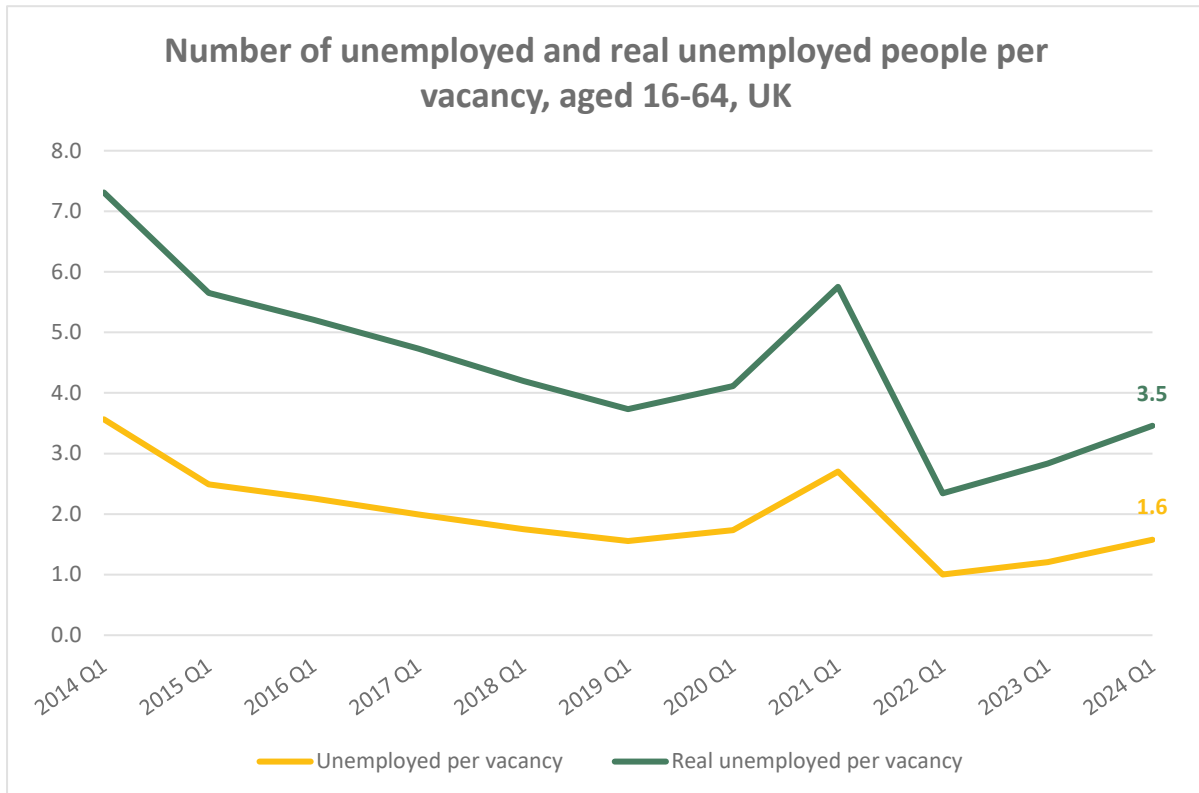


Figure 12 - The number of unemployed people per vacancy and the number of people real unemployed per vacancy, people aged 16-64, UK, 2014 Q1 - 2024 Q1.

Employment Plus: tailored, holistic, non-conditional support

The Salvation Army’s employment service, Employment Plus, operates at the heart of communities across the UK, offering tailored support to help people address the barriers they face and become job-ready. The Salvation Army has a rich history of taking the compassionate and holistic approach to helping others. Employment Plus builds participants’ confidence, soft skills, and wellbeing - empowering them to tackle some of the obstacles they face personally and professionally such as low self-esteem, health issues, addictions, or debt.

Meeting people how they present to Employment Plus is integral to how The Salvation Army seeks to help people - a non-judgemental and compassionate approach. This allows for a thorough assessment of unemployed or economically inactive individuals that would like to find work, taking time to understand their who they are, what they have experienced, identify their goals and ambitions, and take the next steps along their journey. Employment Plus participants are among the most marginalised in our society, with multiple and complex barriers. Spending time understanding each participant’s situation, and having empathy, is vital to providing effective employability support.



“Make people feel extremely welcome. I've been amazed by the amount of help I've been given.”

“Take time to understand my situation and provide ideas and inspiration to move forward”

“... helped me to address my own personal problems and gave me confidence. Helped me to see my strengths and not to concentrate on my weaknesses [sic].”

“Gave me the confidence to believe in myself and my abilities”



“On other employability programs [sic] I have been on I haven't had as much support as I have had by The Salvation Army”

“... I was seen, time taken to sort out things other than employment related. I was cared about.”

In our latest survey (annualised data for 2023/2024), 637 participants told us about their achievements (multiple choice) since joining The Salvation Army’s Employment Plus service (Figure 13); 66.0% increased confidence and motivation, 40.0% improved employability skills, 38.9% learned new skills, 19.8% improved IT skills, 18.7% gained employment, and 18.4% improved personal relationships. Less common answers, but equally significant, highlight some of the barriers faced by some of the most vulnerable individuals we support; 13.8% improved money management, 6.4% cleared debt, 6.9% improved accommodation, and 3.6% received specialised ex-offender support.

In another question asking whether participants agreed that their mental health had improved since joining Employment Plus, 93.4% agreed that it had (40.5% strongly agreed, 53.2% agreed). Participants stated that The Salvation Army’s service was ‘person focused’, ‘compassionate, understanding and helpful’, ‘kind and patient’, ‘welcoming and non-judgemental’ and a ‘positive, encouraging and supportive’ environment where they are treated as a ‘person, not a number’.

Empowering people with the skills and tools they need to manage their life, overcome everyday barriers, build self-worth, and regain their dignity has always been central to our employability service. This unlocks their potential, allows them to get on in life, offer their contribution to society and improve their quality of life. This may be employment, volunteering or education - and neither should be overlooked or prioritised if we truly want to transform the lives of people facing significant challenges.



Figure 13 - Self reported achievements of participants of The Salvation Army’s Employment Plus programme, 2023 - 2024. Source: The Salvation Army

Jackie's Story

Jackie's (not her real name) mother came to The Salvation Army's Employment Plus for debt advice. Looking at her income and expenditure we found out she had a 20-year-old daughter, Jackie, who was not working and not claiming benefits, and had not been claiming benefits during the three previous years when she would have been entitled to them.

Financially supporting Jackie as a single parent and being on Universal Credit herself was the main cause for her mother going into debt. She wasn't sure whether Jackie would be entitled to benefits as she didn't see her being able to work, due to her being too afraid to speak to strangers and her neurological and learning difficulties.

Jackie's mother was highly distressed and didn't know which way to turn for help. We asked her to invite Jackie along to see if we could help and encourage her to claim the benefits that she was entitled to, whether or not she was fit to work.

Jackie hadn't visited her doctor for a few years and had never been diagnosed with any learning difficulties or neurological issues at school, despite her mother trying to get her a diagnosis for autism. In fact, she very rarely went to school because of her low confidence and was fearful of being with groups of people. Her inability to communicate has been catastrophic for her and has led to isolation and poverty.

Initially, Jackie seemed unable to communicate and did not answer any questions posed to her. She did not give eye contact and was very uncomfortable. Her mother answered the questions for her. After two or three appointments Jackie was able to answer, 'yes' or 'no' in a whisper but mostly answered 'I don't know' and shrugged her shoulders to straightforward questions. Jackie has had a hearing difficulty since birth and wears a hearing aid in one ear. It became very clear to us that she needed Salvation Army support.

We managed to persuade Jackie to make a claim and we completed an online application for Universal Credit. Within a couple of days, she had an appointment with a Work Coach at the Job Centre. Her mother went with her. She now receives £279 a month in Universal Credit and is able to contribute financially to the household bills.

She has now been referred to Restart, a government employability support service, where she is working with a disability specialist and is not being pressured into looking for work. This is good support for her. She is accompanied by her mother to appointments there and last week she managed to speak 2 words which was a great breakthrough for her.

This is a clear example of a family struggling financially every day who needed the support and advice of The Salvation Army to ensure they were receiving the benefits they were entitled to. We are so glad that her mother came to The Salvation Army and Jackie's issues were recognised and heard. We are currently helping Jackie to claim Personal Independence Payment which she appears to be entitled to as she struggles with all daily tasks and is unable to leave the house unless accompanied by her Mother. (She is struggling to get an appointment with her GP despite her mother trying multiple times to get her booked in for the last 2 months). This should further help the burden of debt within the family household.

Joan and Brian's Story

Joan (not her real name) first came to The Salvation Army Employment Plus in November 2023 as she had been out of work for 18 months and not claimed any benefits. Instead, she had been using her redundancy pay to pay her rent, bills and all other expenses, while partly caring for her partner, Brian (not his real name).

Joan and her partner didn't know if they were entitled to benefits and were living off Joan's redundancy payment, as they thought they couldn't apply for benefits if they had any savings in the bank. Joan said: "I wanted to find part-time work for myself. I had worked for a long time in my previous job for 20 years in the same sector, so I wanted to spend some time with my partner and consider my next job carefully. However, I needed help, as the jobs market had changed and I needed to get my CV up to date, job searching and applying for jobs."

Brian suffers from poor health but neither of them claimed any benefits at all. As her redundancy pay was running low, she found herself worrying about how she could continue to manage all her financial commitments. Joan was so concerned about their dwindling income that she went to The Salvation Army for a food bank voucher. The volunteers at the local Salvation Army church gave Joan an Employment Plus leaflet and she contacted the service to arrange an appointment at the church.

Our Employment Development Co-ordinator (EDC) advised Joan that she could make a claim for Universal Credit while also supporting her to find work. We also advised that Joan's partner, Brian could undertake a health assessment to ensure he was put in the correct group of Universal Credit and also apply for PIP (Personal Independence Payments).

We assisted Joan and Brian with their Universal Credit claim and application for a Council tax reduction, receiving a refund on some previous payments. Because of their low income, we helped them to apply for a reduced water rate too.

As a result - Joan and Brian will receive a cost-of-living payment through Universal Credit now, where they previously missed out. Further enquiries are being made about the Warm Homes Payment and we supported the couple in the completion of Brian's Health assessment forms. We also looked into a free laptop scheme from the Job Centre and will be looking at grants available from their energy supplier.

Joan uses her smartphone and local library to access her emails and stay on top of job applications. She said: "Employment Plus has helped me to get my CV looking great, I can print off copies there and make appointments to do job searches and complete job applications online."

Joan has expressed her gratitude, as she was not aware that they would be eligible for any of the above, hence not applying for anything in the last 18 months. Joan said: "The Salvation Army EDC has helped us so much, we didn't have a clue about applying for benefits and even which ones were relevant for us, I feel better about the future and my job search now." Joan and Brian are up to date with all bills and payments and are reassured that they can continue to manage their finances with the support that is now in place.

Funding broader employment support

The Salvation Army's Employment Plus has always been self-funded in part, with further funding historically coming from the European Union's European Social Fund. Now that the UK has left the European Union, this funding ceased in 2022 and the replacement, UK Shared Prosperity Fund (UKSPF) was phased in. UKSPF is poorly designed, which has led to poor implementation; this is already leading to poor and inconsistent delivery.

The Salvation Army, like many others in the employability sector, foresaw these problems and we are now seeing the effects as local authorities begin commissioning projects funded by the UKSPF within the constraints and freedoms of the design and implementation model. Our concerns remain over the design and implementation of the UKSPF^{11, 12}, but a pragmatic approach is now required given projects are being commissioned and put to tender. Perhaps the most pressing problem is long-term as UKSPF is due to end in 2025 and there is not a planned replacement or extension, making it difficult for Employment Plus to organise resource and capacity such as hiring staff, other running costs such as equipment or setting up a physical space. The Salvation Army will always self-fund where possible but even this becomes challenging when there is such uncertainty around the future of Government employability funding.

We fear this could lock people who want to work out of employment support unless they are claiming benefits. Both the inactive but wants a job and unemployed groups face barriers to work, with the former often further from the labour market and not claiming benefits. Those claiming unemployment related benefits are required to search for work and receive support in doing so. Figure 10 captures the disparity in the level of people who want to work (real unemployed) and unemployment related benefits rate. There are up to 1.6 million people that would like to work but are not currently receiving mainstream employability support through the social security system.

Whilst this is inconvenient at best for employment support providers, it will have a devastating impact on people furthest from the labour market. Specialist, holistic and tailored, employability support offered by Employment Plus goes beyond people's hopes of finding work and looks in all areas of a person's life to identify what is holding them back, what is in and out of their control, and taking a compassionate approach to nurture self-belief and empower them to reach their potential. Without funding through UKSPF, some services are at risk, threatening the breakdown of localised integrated services model (such as housing, debt, or substance/alcohol use, training, and signposting under one-roof) and people will be subject to hardship and poverty. This could result in a higher cost to Government and local authorities through negative externalities and greater demands for services¹³ - such as substance or alcohol use, poor physical and mental health, homelessness, problem debt, increased family breakdown, or increased engagement with the criminal justice system.

¹¹ Work and Pension's Select Committee, 8th report of 2022-23 session: written evidence from The Salvation Army ([Work and Pensions Committee, 2023](#)).

¹² Work and Pension's Select Committee, 8th report of 2022-23 session: written evidence from The Salvation Army ([Work and Pensions Committee, 2023](#)).

¹³ Caveat: those at risk of engaging with these services are a product of their current situation, complex needs, and often, trauma. Providing holistic support, building trust, and showing compassion drastically improves their chances of positive outcomes and becoming active citizens in our society.

Recommendations: reaching the right people with the right support

To ensure people are able to access the support they need, The Salvation Army recommends that:

1. **The Department for Work and Pensions (DWP) take a human capital approach to employability support, with less emphasis on compliance and greater emphasis on tailored and holistic support.**
 - a. Employability support delivered by DWP should use the human capital approach, supporting people into quality work and not just any job and empower them to achieve a sustained improvement to their living through skills and personal development.
 - b. DWP must halt the use of **full award sanctions** which withdraw benefits completely from people who do not comply with work search conditions. DWP should reserve their use for extreme cases, given the increasing evidence - some of which DWP produced - of their ineffectiveness and harm.
2. **His Majesty's Treasury (HMT) and the Department for Levelling Up, Housing and Communities (DLUHC) replace UK Shared Prosperity Fund (UKSPF, which pays for many unemployment and employability services) with an Employability and Social Fund, integrating a clear national direction with local ringfencing of funds and local commissioning of projects. The fund should allow Government, local decision makers and employability support providers to plan for the long-term and reach people furthest from the labour market, whilst enabling greater value for money.**
3. **The incoming Government should commission an inquiry at the highest level to establish the nature and extent of poverty and set up a taskforce to eradicate it.**

Technical Annex

Research Approach

This report draws on published available quarterly data from the Labour Force Survey¹⁴ (LFS) alongside administrative social security data (the ‘Claimant Count’ and Universal Credit data). Current labour market status definitions used by the Office for National Statistics (ONS) and the UK Government comply with the International Labour Organisation’s¹⁵ (ILO) definitions; we were interested in the working age population - those aged 16-64 - however, the official monthly unemployment figure released by ONS refers to people aged 16+. When referring to unemployment in this report, we use the ONS’ measure for those aged 16-64.

Most data used in this report is official data¹⁶ excluding our estimated ‘potential economic activity’, ‘real unemployment’ and ‘real economic inactivity’. We treat the ‘economically inactive but wants a job’ (inactive but wants a job) as unemployed, and therefore economically active - adding the inactive but wants a job total to the official economically active total to estimate a level of ‘potential economic activity’. Those who are economically inactive and do not want a job are retitled ‘real economically inactive’. The ‘real unemployment level’ is estimated by adding together the number of people who are unemployed and inactive but want a job. The ‘real unemployment rate’ is estimated by dividing this by the ‘real economically active’ level, expressed as a percentage.

While this research estimates the level of ‘real unemployment’ and seeks to stimulate the debate around employability support, these figures should be taken as indicative and further research of unpublished LFS data should be undertaken to refine our estimates to a level and rate that is as accurate as possible, producing quality estimates. We suggest the following areas as a starting point:

1. Those who are economically inactive and want a job but have a temporary barrier(s) stopping them from seeking work or being available to start work - for example those waiting to receive medical treatment or looking after young children. This may mean that they want a job, but in 12-24 months’ time when they expect to be well enough or available to return to work. Further research should differentiate when individuals would like to start working.
2. Linked to the point above, our estimated ‘real’ measures should be further revised by health condition to exclude those unable to work in the near future (such people receiving a course of treatment) and the number with caring responsibilities adjusted for availability and affordability of care services at a national level.
3. Some people who are included in the employment level - such as those on zero-hour contracts or in other forms of precarious work¹⁷ or experiencing underemployment - should be included in the real unemployment level as many may take on more regular or substantial work in the right circumstances.

¹⁴ “The Labour Force Survey (LFS) is a regular household survey in the UK. ... approximately 100,000 people aged 16 and over in around 40,000 households is interviewed ... The survey asks a series of questions about respondents’ personal circumstances and their labour market activity.” See [Office for National Statistics \[ONS\] \(2023a\)](#).

¹⁵ The ILO is an agency of the United Nations that seeks to promote social justice by championing internationally recognized human and labour rights; setting labour standards, developing policies and devise programmes to promote decent work for all women and men. ([ILO, 2023](#)).

¹⁶ National Statistics ([Office for Statistics Regulation, 2023](#))

¹⁷ Concepts: precarious employment visual ([ILO, 2023b](#))

4. If desired, these steps could be replicated within ONS Annual Population Survey data to offer a smaller geographical level data.

‘Estimated inactive but want a job’ and ‘real unemployment’ rates

The ‘estimated inactive but want a job’ rate followed a similar level and pattern to the official unemployment rate, gradually falling between 2014 Q1 and 2019 Q1, with a slight rise during the first year of the pandemic (2020 Q1), before falling over 2021 Q1 - 2022 Q1, Figure 7). The rate had mostly been marginally higher than the unemployment rate but was lower by 2024 Q1 (-0.3 ppts). This pattern is similar for males (Figure 8). The estimated inactive but wants a job rate for females had a higher starting point at 8.3% in 2014 Q1 than the female unemployment rate (6.6%, Figure 9). The rate for females has fallen by -2.6 ppts since 2014 Q1, in line with increased labour market participation among females over this period, and was -0.9 ppts below the pre-pandemic rate in 2024 Q1.

The real unemployment rate refers to people who want to work, regardless of whether they are currently seeking or currently available for work, or whether they are claiming benefits. It is the sum of both the unemployed and the economically inactive that want a job and it represents the cohort The Salvation Army supports through its Employment Plus Service. This rate stood at 7.8% in 2024 Q1, 3.4 ppts higher than the official unemployment measure (4.4%, figure 7) highlighting the large number of people hidden and potentially cut off from mainstream employability support. This rate had also been falling since 2014 Q1 and experienced a brief rise during the pandemic and was -0.5 ppts lower than the pre-pandemic rate in 2024 Q1.

The real unemployment rate for females stood at 14.3% in 2014 Q1, +2.0 ppts higher than males in the same year (12.3%) and it remains higher across the 10-year period to 2024 Q1 (Figure 9). The gap between the real unemployment rates for females and males was steady between 2014 Q1 - 2019 Q1, with a mean ppt difference of +2.2 ppts; this begins to close due to a steeper rise in real unemployment for males than females between 2019 Q1 - 2024 Q1 and the mean ppt difference falls to +1.2 in this period. The two rates were closest in 2023 Q1 and 2024 Q1.

Annex: More about Employment Plus

Employment Plus operates at the heart of communities in more than 120 locations across the United Kingdom. Employment Plus offers tailored support to help people become job ready. Through a compassionate and holistic approach, with wrap-around support, Employment Plus builds participant's confidence, soft skills, and wellbeing - empowering them to tackle some of the obstacles they face personally and professionally such as self-esteem, health issues, addictions, or debt.

Employment Plus has delivered multiple employability support contracts, working in partnership with local government, devolved powers, and DWP. We delivered Kickstart, the Work Programme, Work Choice, the Work and Health programme and Job Entry Targeted Support (JETS) programme on behalf of the DWP and received c£600,000 and c£2,000,000 of funding for the latter programmes respectively.

Until recently, we also delivered employability support through funding streams of ESF. Between 2014 and 2020, we received ESF grants totalling c£6 million. Our average cost per participant for an ESF programme is £991, with our Employability Practitioners maintaining a low caseload, the biggest single driver of successful outcomes. We have tendered for and secured bids for the UKSPF to support this service, these are in the implementation phase with funding currently only in place for 2024/25.

We also offer specialised employability support to adults with special education needs and disabilities at Strawberry Field in Liverpool, Hadleigh Farm Training Centre in Essex, and the George Steven Community Hub in Kilbirnie, Scotland.

Our Employability Practitioners thoroughly assess unemployed and economically inactive individuals that would like to find work, taking time to understand their personality and experiences, helping participants identify their goals and ambitions, and become work ready. Employment Plus participants are among the most marginalised in our society, with multiple and complex barriers. Spending time understanding each participant's situation, and having empathy, is vital to providing effective employability support. Our services include:

- One-to-one and group support through our Employability Practitioners
- Effective signposting to health and mental health services
- Building soft skills such as self-esteem, confidence, communication, time-management, team-working, language proficiency, and problem solving
- Tailored training opportunities for hard skills from electrical safety testing to bike repairs
- Guidance for benefit queries
- Work placements and work experience
- Where appropriate, participants are offered opportunities to engage in our partners' programmes.

