Executive Summary

The London Employment and Skills Policy Network is comprised of around 60 voluntary and community sector groups delivering employment and skills services in London, and is coordinated by the London Voluntary Service Council.

We are supportive of reforms to the welfare system which: simplify the benefits system from the recipient’s perspective; provide better incentives to work for claimants; ensure that the most vulnerable claimants receive sufficient financial support for their day-to-day needs; take account of the high costs of living and housing in London; and ensure that all benefit recipients receive support to overcome the barriers they face and find appropriate employment.

We believe that the broad direction of the proposed Universal Credit system will help achieve the first two of these objectives. However, if current levels of benefit entitlements are not maintained or increased under the new system, the government risks undermining its initiatives to reduce poverty and worklessness.

Reforms to the welfare system aimed at reducing worklessness will only work alongside real support to help benefit claimants move closer to the labour market and into jobs. On the available evidence, we are concerned that the Work Programme will fail to offer this support to clients with multiple barriers.

Any regime of sanctions and conditionality must take account of the extremely challenging local conditions for jobseekers in many areas of London.

Imposing a new regime of conditionality and sanctions without ensuring that the work capability assessment is robust, and that the Work Programme is delivering appropriate support to all jobseekers, is unfair.

Introduction

The London Employment and Skills Policy Network (LESPN) is comprised of around 60 voluntary and community sector groups who deliver employment and skills services in London. The network has met regularly since June 2009, and it is coordinated by the London Voluntary Service Council. The chair of the LESPN, Peter Lewis, sits on the London Skills and Employment Board.

The membership of LESPN includes organizations of all sizes, from small neighbourhood centres, to medium-sized groups working across multiple boroughs, to large national charities. A number of infrastructure organisations and networks which support employment and skills front-line groups are also represented, as well as large Registered Social Landlords.

This diverse range of groups all share some common characteristics. Their overriding concern is to fulfil their charitable objectives by supporting service users to participate fully in society, and finding employment is central part of this. The groups in LESPN offer a holistic package of services to support their clients to make the transition from life on benefits into full social and economic participation in society. This gives them a strong interest in improving the welfare system because they offer to their clients (among other things) general information and advice, specific debt advice, assist in appeals, volunteering and work placement opportunities, skills training, job search, and employment services.
Finally, they work with a wide range of client groups who are typically described as the 'hardest to reach', 'furthest from the labour market', 'vulnerable', or 'multiply disadvantaged'. In other words, people who:

- live in poor quality housing, have unstable housing arrangements, or are homeless,
- live in deprived communities where intergenerational worklessness is very common or the norm,
- have ESOL needs, or lack basic functionally skills like numeracy or literacy,
- experience employer discrimination on the basis of their ethnicity or age,
- are heavily indebted,
- have physical disabilities which limit the kind of work they are able to do,
- are dependent on drugs and/or alcohol,
- are ex-offenders,
- are limited in the work they can do because of their mental health,
- have learning difficulties,
- have few or no qualifications,
- work in low paid, insecure jobs, or in the informal economy, or
- are lone parents.

This list is not exhaustive, and many of the people who LESPN members work with fall into two or more of these categories.

All members have had the chance to contribute to and comment on this response, and a number of groups have submitted their own responses. A list of organisations who participate in LESPN is attached at Appendix 1, and further information is available at [http://www.lvsc.org.uk/LESPN](http://www.lvsc.org.uk/LESPN). The network is happy to meet to discuss these matters further, or to help convene a focus group to look at these matters in more depth, bringing the perspective of benefit recipients and service users themselves.

This response is structured around the twelve questions contained in *21st Century Welfare*.

1. What steps should the Government consider to reduce the cost of the welfare system and reduce welfare dependency and poverty?

We strongly support the broad direction of the proposals outlined in the consultation document to simplify the welfare system and provide better and clearer financial incentives for people making the transition from benefits into work. However, these proposals cannot be considered in isolation from the other aspects of the government’s approach to reducing welfare dependency and poverty. Equally important to welfare reform is a welfare-to-work system which provides appropriate and adequate support to Londoners who have been out of the labour market for long periods, and who face barriers to entering the workforce. And unless there are jobs available for all those who are out of work, and those jobs pay sufficiently to lift workers' households out of poverty, neither benefit reform nor a world class welfare-to-work programme will be sufficient to deliver the outcomes we all want to see.

So, our key concerns with the proposals in *21st Century Welfare*, in terms of their likely success in reducing poverty, are that they fundamentally underestimate the level of resource required to support the most disadvantaged Londoners into work, and overestimate the quality and quantity of employment opportunities currently available to out-of-work people in London.

We agree that the benefits system must offer clear incentives to take work. However, many of the people we work with require not just incentives but specialised support before they can take work. Long-term unemployed and people facing multiple barriers to work have fundamental needs that need addressing: health issues, housing, childcare, transport, basic skills, lack of qualifications or work experience, and so on. We are not confident that disadvantaged groups will received anything like the support they need, through the Work Programme. Nevertheless, they still face reductions in their benefits resulting from the measures in the June 2010 emergency budget, and the prospect of further conditionality, sanctions, and penalties under the *21st Century Welfare* proposals.

We believe that unless everyone who is subject to conditionality and sanction measures receives appropriate support through the Work Programme, then those measures will not have their desired effect, and will not be fair. In fact, their effect will be to plunge people further into poverty, and even further from
the labour market, as poverty is in itself an enormous barrier to work. We fear a scenario where no-one wins: where the most disadvantaged in society struggle on reduced incomes, under threat of sanctions, and the country's expenditure on benefits increases.

Finally, it must be remembered that, unfortunately, ending worklessness and welfare dependency will not in all cases end poverty. This is more true in London than anywhere else in England. In-work poverty in London has risen since the late 1990s to now account for around half of all child poverty here. The poverty rate for children living in working families is much higher in London (and in Inner London in particular), than elsewhere in England. 

2. Which aspects of the current benefits and Tax Credits system in particular lead to the widely held view that work does not pay for benefit recipients?

3. To what extent is the complexity of the system deterring some people from moving into work?

4. To what extent is structural reform needed to deliver customer service improvements, drive down administration costs and cut the levels of error, overpayments and fraud?

The current benefits system does not reflect the journey to employment for workless Londoners, especially those facing multiple barriers to full participation in the labour market. The importance of part-time work to lone parents, people recovering from illness, people suffering from mental health problems, people with caring responsibilities, and so on, cannot be overestimated. For many it is a crucial step towards part-time work, for others, full-time work is not a realistic prospect. In London, competition for part-time work is particularly tough, as we describe below.

The current earnings disregard threshold is pitifully low and is a major barrier to people taking first steps into work. At present a single person doing one hour's work at minimum wage will have their benefit docked. We would like to see the earnings disregard allow people to work up to 16 hours work at London Living Wage, before their benefit entitlement is affected. Similarly, the current very steep withdrawal tapes for in-work benefits such as housing benefit and council tax benefit leave people out of pocket right at the time that they most need a clear signal from the system that working pays.

“If you start a job and it doesn’t work out you have to reapply for benefits and wait for weeks before your benefits are set up again. This is when you end up in debt, this happens with all different changes in circumstances.”
- participant in Community Links ‘listening campaign’ event

The complexity of the benefit system (actually, systems), and the inevitable lags in processing times are also major barriers. These penalise people when they are first entering the labour market: when their work is most likely to be low paid, casual or seasonal, unstable, and unpredictable. The unnecessary complexity of the system impacts disproportionately on people with learning difficulties, disabilities, ESOL and other needs, and means that voluntary and community sector groups need to invest a great deal of time doing budgeting and debt advice and advocacy work relating to benefit entitlements.

It should also be remembered that the complexity of the system is not only a barrier for people moving into work, but also undermines the very fairness of the welfare system itself, with an estimated £16 billion in income-related benefits and tax credits going unclaimed in the UK each year.  

“Lone parents who work one day a week do not declare it as it messes up their benefits and it’s just not worth it – needs to be amended to let them work a bit first.”
- participant in Community Links ‘listening campaign’ event

Taking a broader view, the shortage of affordable, flexible childcare and the lack of part-time work are very important barriers to work in London. They make it enormously difficult for single parents of young children in particular to enter the workforce, and go some way to explaining why a lower proportion of lone parents in London are in paid work than in the rest of England. Recent and proposed policy changes (to the eligibility for income support, and the planned transfer of lone parents onto either Jobseekers

1 City Parochial Foundation and New Policy Institute, London’s Poverty Profile, May 2009
2 http://news.bbc.co.uk/1/hi/business/8494105.stm
3 City Parochial Foundation and New Policy Institute, London’s Poverty Profile, May 2009
Allowance or Employability Support Allowance) will see numbers of lone parents on Jobseekers Allowance continue to grow – yet the shortages of part-time work and affordable childcare will remain.

“The policy to provide childcare for working parents is not working for me as I work flexible hours and childcare is only available for those parents whose children needed a place on the same day at the same time.”

- participant in Community Links ‘listening campaign’ event

5. Has the Government identified the right set of principles to use to guide reform?

- **Principle**: “Ensure that people can see that the clear rewards from taking all types of work outweigh the risks.”
- **Principle**: “Further incentivise and encourage households and families to move into work and to increase the amount of work they do, by improving the rewards from work at low earnings, and helping them keep more of their earnings as they work harder.”

We support these principles. However, for the reasons we have outlined above, we do not consider that benefit reductions in themselves constitute effective incentives to work. They must work in tandem with an effective welfare-to-work programme that offers adequate and appropriate support to help workless Londoners overcome barriers to work, then move into the workforce.

- **Principle**: “Automate processes and maximise self service, to reduce the scope for fraud, error and overpayments. This could include a responsive and immediate service that saves the taxpayer significant amounts of money and ensures compliance costs for employers, at worst, no worse than under the current system.”

We support any measures that reduce fraud, error, overpayments, or underpayments. However, while automated processes and self-service will work for some unemployed people, many of the most disadvantaged workless will continue to need one-to-one personal advice and guidance on their entitlements and their journey to work. Where responsibility for providing this support falls on voluntary and community sector groups, those groups must be resourced adequately to do so. We expect an impact assessment to be completed and taken into account to ensure that changes do not unfairly disadvantage equalities groups.

- **Principle**: “Increase fairness between different groups of benefit recipients and between recipients and the taxpayer.”

The safety net of social welfare has been an integral part of our democracy for many decades. It was created to mitigate the unfairness of people living in poverty because they could not work or could not find work. There has been and continues to be a popular consensus that residents who are out of work should receive aid from the state. Language that sets up a division between ‘the taxpayer’ and benefit recipients stigmatises the latter and achieves nothing. Moreover, this division is inaccurate because benefit recipients are taxpayers: they pay VAT, recipients of in-work benefits pay income tax on their earnings, and many recipients of out-of-work benefits have been tax payers in the past and/or will be tax payers in the future.

- **Principle**: “Continue to support those most in need and reduce the numbers of workless households and children in poverty and ensure that interactions with other systems of support for basic needs are considered.”

We support this principle, but question the use of ‘continue’ when current systems have not supported those most in need.

- **Principle**: “Promote responsibility and positive behaviour, doing more to reward saving, strengthening the family and, in tandem with improving incentives, reinforcing conditionality.”

We support his principle, with the caveat that we have reservations over making any comment on the use of conditionality and sanctions in the absence of a clear picture of how the Work Programme will support
those furthest from the labour market. In order to be fair on jobseekers, any regime of sanctions and conditionality must be sensitive to the local availability work, and the fact that the many of long term unemployed and multiply disadvantaged clients face discrimination from employers.

- **Principle:** “Ensure that the benefits and Tax Credits system is affordable in the short and longer term.”

These reforms will only be affordable if they are successful, and we believe that under-investment in welfare reform and the welfare-to-work programme in the short term risks failure, which is not affordable in the long term. We are particularly concerned that consideration of the affordability of the system should not cloud the judgement of consultants carrying out work capability assessments. WCA and conditionality arrangements should not force people who cannot work, or who have very limited capacity for work, into inappropriate jobs. This creates personal stress and health problems for the individual, and will not bring long-term sustainable job outcomes and the savings to the public purse. It also incurs avoidable costs to the public purse in hearing appeals against assessment decisions.

6. Would an approach along the lines of the models set out in chapter 3 improve work incentives and hence help the Government to reduce costs and tackle welfare dependency and poverty? Which elements would be most successful? What other approaches should the Government consider?

We support the universal credit model, and the general objectives of:

- simplifying the administration of the benefits system, and
- providing better work incentives by offering a shallower and smoother taper.

This will benefit in vulnerable workers in particular, who at present tend to cycle in and out of poor quality jobs: in London, 55 per cent of Jobseekers Allowance claimants return to a benefit within six months of leaving.⁴ A universal credit with a more generous earnings disregard would protect these people from the cycle of signing on and coming off JSA, with the financial stress and delays that creates, allowing them to focus on progressing into stable employment.

To be successful, the earnings disregard and taper must be sufficient to cover the new expenses incurred by people entering the workforce, for example childcare, transport, extra laundry and clothing expenses, or increased debt repayments. These costs are higher in London than elsewhere in England. The additional payment for families, people with disabilities, and so on must be sufficient to cover their higher living costs and day-to-day expenses.

However, strengthening incentives for those entering the labour market and those on low incomes must not be done at the expense of those who are out of work. People already struggle to get by on benefits in London, so the Universal Credit must be paid at a rate that is no less than claimants’ current benefit entitlements.

We have concerns over the proposal to pay benefits to one person on behalf of an entire households. We urge the department to consider this very carefully to protect dependants from financial abuse by the head of the household.

7. Do you think we should increase the obligations on benefit claimants who can work to take the steps necessary to seek and enter work?

8. Do you think that we should have a system of conditionality which aims to maximise the amount of work a person does, consistent with their personal circumstances?

We have three major concerns with proposals for increasing conditionality and sanctions in the welfare system. Firstly, just as the welfare system must incentivise people to take work, the Work Programme must provide the support that benefit recipients need to enter the labour market. This frequently does not happen under current New Deal models, where large providers ‘park’ the hardest to help.⁵ Is it patently unfair to cut someone’s income when they have been ‘parked’ and denied adequate support. Levels of

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support for the most vulnerable must be guaranteed and improved under the Work Programme. By imposing conditionality and sanctions when there is not yet a welfare-to-work structure that effectively supports clients with multiple barriers, and in an extremely challenging job market, the government will be putting the cart before the horse.

Secondly, conditionality and sanctions cannot be fair if they are based on an inaccurate assessment of what work a person is capable of doing. We are extremely concerned by how work capability assessments (WCAs) have been operating to date, leading to devastating outcomes, and by the prospect of assessments becoming stricter. The Citizens Advice Bureau Not Working report in March this year looked at outcomes from the Employment Support Allowance WCA and found that:

- people with debilitating conditions or serious disabilities are being inappropriately subjected to the WCA, and some are found ineligible for the benefit.
- The guidance for the health care professionals administering the test gives extreme examples, which is likely to lead to very harsh decisions.
- The WCA does not effectively measure fitness for work: it does not take sufficient account of variable symptoms, there is little recognition of generalised pain and exhaustion, or the seriousness of an underlying condition, it takes no account of the context of the work environment, including a person’s education, skills and circumstances, or the discrimination they may face in looking for work, and so on.
- People with serious illnesses and disabilities who could not reasonably be expected to work are being found fit for work.  

Some of our members are seeing as many as 95 per cent of the WCA appeals they are involved in upheld. This is not only enormously wasteful for government (and for voluntary and community sector groups), but also incredibly exhausting and stressful for the appellants.

Finally, any system of sanctions must take into account the local availability of suitable job opportunities. Nationally there are 5.2 vacancies to every unemployed person, but in certain areas of London the situation is far worse. Any system of sanctions must realistically reflect the control the individual has over their own circumstances. We cannot see, for example, how cutting housing benefit for a JSA claimants after 12 months will improve that person’s prospects of finding work.

9. If you agree that there should be greater localism what local flexibility would be required to deliver this?

Substantial devolution of decision making power over benefits payment to local authority or Jobcentre level would undermine many of the aims of 21st Century Welfare by adding greater variability and complexity to the system. However, benefit payments and welfare-to-work support must be sensitive to the enormous variation between regions and within London in terms of factors like housing costs, living costs, and job availability.

London ranks highest among English regions in terms of a wide range of variables, including housing costs and worklessness, but it is an incredibly diverse region, so that any generalisation about the city masks bewildering complexity. Take poverty for example. In broad terms, the Inner East and South are the most deprived areas in London. However, every borough except Richmond contains at least one ward with an above-average level of working-age adults receiving out-of-work benefits. To put in another way, the 20 London wards with the highest proportions of out of work benefit claimants are distributed across 11 different boroughs, including Kensington & Chelsea and Westminster (which have very low overall

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5 Department for Work and Pensions, The influence of outcome-based contracting on Provider-led Pathways to Work, February 2010
6 Citizens Advice Bureau, Not Working: CAB evidence on the ESA work capability assessment, March 2010
7 Office of National Statistics, Labour market statistics, July 2010
8 http://www.community-links.org/linksuk/?p=1813
9 City Parochial Foundation and New Policy Institute, London’s Poverty Profile, May 2009
rates of out of work benefit claimants). The proportions of working-age adults receiving out-of-work benefits in Hackney or Barking & Dagenham are three times the rate of Richmond and Kingston.

Local knowledge of these disadvantaged communities is essential to meeting their needs. The welfare system must be flexible enough to take account of this complex patchwork of very localised conditions. Local authorities and Jobcentres hold some of this knowledge, as do locally based community groups. Information sharing between statutory agencies, private sector primes, and the voluntary and community sector could improve provision. There may also be a role for a city-wide steer on provision, perhaps from London government. Local authorities or London government could have a role in encouraging and educating local employers about taking on long-term unemployed people, and fighting employer discrimination against equalities groups.

London has a unique set of challenges around employment for equalities groups.

It is the most ethnically diverse region in the country, containing 20 of the 28 English authorities classified as most diverse. Work rates among Black, Asian and Minority Ethnic (BAME) groups in London are lower than for White British. About 20 per cent of White British working-age adults in London do not work, compared to 60 per cent of Bangladeshi and 40 per cent of Pakistani adults. Among London’s workers, low pay is much more common among Pakistani and Bangladeshi employees than White or Black Caribbean employees. Low pay and high worklessness are of course major contributors to the greater levels of poverty among certain BAME groups. Bangladeshi households are three times as likely to be in poverty as Indian or White households, for example. The combination of a much higher risk of low income for people from ethnic minorities and the high ethnic minority population in London means that over half of all people in poverty in London are from BAME backgrounds.

London has a greater gender imbalance in employment rates than other regions. While the male employment rate in London compares closely with that for the rest of the UK, female employment rates are substantially lower in London. The employment rate for women without qualifications in London is 10.5 percentage points lower than the national average.

Less than half of London’s disabled people have a job, and London’s employment rates for disabled people are almost 5 percentage points lower than elsewhere. People with health problems or disabilities who claim the Employment and Support Allowance (ESA) or Incapacity Benefit (IB) are the single largest group of benefit claimants in London, accounting for 45.4 per cent of all people on out-of-work benefits (as at November 2009). There is evidence that London ESA and IB claimants are further from the labour market than those in other areas. New ESA and IB claimants in London are less likely to have worked in the recent past, and less likely to have sufficient National Insurance contributions to claim the insurance-related versions of these benefits.

We believe that, rather than localism per se, what is needed is effective support for these groups, to tackle their low rates of employment and bring London’s overall employment rate up to the level of the country as a whole. A specialised approach might also help tackle London’s high level of youth unemployment: the unemployment rate among young adults in both inner and outer London is over 20 per cent, more than any other region.

A further challenge for many of these groups is the fact that competition for part-time work is particularly tough in the London labour market. One fifth of all London’s part-time workers work part-time because they cannot get a full-time job, a higher proportion than any other region. Londoners who are looking for part-time work are more likely to be unemployed than those looking for full-time jobs or those who would accept either. Among those looking for part-time work only will be many lone parents, people recovering from physical or mental ill health, people with learning difficulties, and other vulnerable people.

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11 City Parochial Foundation and New Policy Institute, London’s Poverty Profile, May 2009  
12 City Parochial Foundation and New Policy Institute, London’s Poverty Profile, May 2009  
16 City Parochial Foundation and New Policy Institute, London’s Poverty Profile, May 2009  
Employment rates for people with Level 3, Level 2, and below Level 2 qualifications are lower in London that in the rest of the country.\textsuperscript{18}

10. The Government is committed to delivering more affordable homes. How could reform best be implemented to ensure providers can continue to deliver the new homes we need and maintain the existing affordable homes?

Housing is an enormously important problem in London. London has the highest rate of income poverty of any region in England, and housing costs account for a lot of the difference in the poverty rates between London and the rest of the country.\textsuperscript{19} Average London rents are far higher than any other region and than the national average, and there is far greater unmet housing need and homelessness than any other region.\textsuperscript{20} The proportion of homeless households in London living in temporary accommodation is ten times higher than the national average and seven times higher than the English city with the second highest rate.\textsuperscript{21}

In this context, the restrictions and reductions to housing benefits announced in the June budget will potentially have a catastrophic effect in London and undermine all the government’s other initiatives to combat worklessness and poverty. New research by London Councils suggests that 82,000 tenants across London will be at risk of losing their home as a result of the changes in the June budget.\textsuperscript{22}

All of which highlights the need for a robust system that is sensitive to local variation in housing costs, and which reflects the high housing costs in London generally. This needs to be a central consideration in the design of a new Universal Credit system.

We would like to see the department consider giving claimants the option of paying Housing Benefit directly to landlords.

11. What would be the best way to organise delivery of a reformed system to achieve improvements in outcomes, customer service and efficiency?

A system of benefits administered by a single department would be a great improvement for benefit recipients, removing unnecessary duplication of effort in dealing with multiple agencies, and hopefully reducing the number of payment errors.

Our main concerns regarding delivery are that the transition to the new regime is carried out in way that minimises disruption to beneficiaries, and that the new system remains accessible to all benefit recipients. While automated processes and self-service will work for some unemployed people, many of the most disadvantaged workless will continue to need one-to-one personal advice and guidance on their entitlements and their journey to work. Where responsibility for providing this support falls on voluntary and community sector groups, those groups must be resourced adequately to do so. We expect an impact assessment to be completed and taken into account to ensure that changes do not unfairly disadvantage any equalities groups.

Jobcentres will remain vital points of contact for benefit recipients, and we would hope that increased levels of self-service may lessen the workload on Jobcentre staff sufficiently that they are better able to offer personalised, flexible, and sympathetic advice and support to their clients.

12. Is there anything else you would like to tell us about the proposals in this document?

\textsuperscript{18} London Skills and Employment Board, \textit{London Story Update 2010}, forthcoming
\textsuperscript{19} City Parochial Foundation and New Policy Institute, \textit{London’s Poverty Profile}, May 2009
\textsuperscript{20} National Housing Federation, \textit{Home Truths}, 2009
\textsuperscript{21} City Parochial Foundation and New Policy Institute, \textit{London’s Poverty Profile}, May 2009
\textsuperscript{22} London Councils, \textit{Impact of LHA Changes: A Landlord Survey}, September 2010
Since the start of the recession, the number of Londoners without work has increased by 206,000 or 13.6 per cent, more than the 10.6 per cent increase recorded in the rest of the country. The impact of the recession has been worst in London, and it has hit the most disadvantaged Londoners hardest.

We are very supportive of reforms to the welfare system which:

- simplify the benefits system from the recipient’s perspective,
- provide better incentives to work for claimants,
- ensure that the most vulnerable claimants receive sufficient financial support for their day-to-day needs,
- take account of the high costs of living and housing in London, and
- ensure that all benefit recipients receive support to overcome the barriers they face and find appropriate employment

We believe that the broad direction of the proposed Universal Credit system will help achieve the first two of these objectives.

However, if current levels of benefit entitlements are not maintained or increased in the transition to a new system, the government risks undermining its initiatives to reduce poverty and worklessness.

Though outside the scope of this consultation, we are concerned that the Work Programme will fail to offer this support to clients with multiple barriers. Reforms to the welfare system aimed at reducing worklessness will only work alongside real support to help benefit claimants move closer to the labour market and into jobs. Given the findings of reports by House of Commons Work and Pensions Committee, Department for Work and Pensions, and the London Skills and Employment Board, there is a very real danger that many of the specialist groups who work with disadvantaged communities that large private sector prime providers and the public sector cannot reach, will be forced out of the market under the Work Programme’s strict outcome based approach.

Just as the Department for Work and Pensions monitors the equalities impact of changes to the welfare system, it must also monitor the impact of cuts and changes to welfare-to-work commissioning on the level of specialist support available to equalities groups. Imposing a new regime of conditionality and sanctions without ensuring that the work capability assessment is robust, and that the Work Programme is delivering appropriate support to all jobseekers, is unfair.

Finally we stress that any regime of sanctions and conditionality must take account of the tight labour market nationally, and the extremely challenging local conditions in many areas of London. Employers currently lack the capacity to employ all the Londoners who want to work, especially in the most deprived areas. Even in a booming economy, businesses need encouragement and support to invest in a diverse workforce. In the present economic climate, the disadvantaged groups that the members of LESPN work face even more of an uphill battle to find jobs. There is currently huge competition in London for available jobs, and London employers have access to a large supply of labour that is better qualified than that of any other region in the UK. Londoners who want to work part-time face particularly tough competition in the labour market. In this context, short-term unemployed will be seen as more readily employable and favoured by employers over disadvantaged and long-term unemployed groups. Ultimately, it will be economic growth and effective employment support, not benefit reductions and sanctions, that will see the numbers of long-term workless Londoners fall.

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Appendix 1: Groups participating in London Employment and Skills Policy Network

Action Acton
Barnardo's
Black Training and Enterprise Group (BTEG)
British Trust for Conservation Volunteers (BTCV)
Broadway London
Bromley By Bow Centre
Camden Society
Cardboard Citizens
Catch 22
Central London CVS Network
Circle Anglia Housing
Citizen's Trust
City Gateway
Clean Slate
Community Links
Crisis
East London CVS Network
East Tenders
Elthorne Learning Centre
Employability Forum
Genesis Community
Ghana Refugee Welfare Group (GHARWEG)
Groundwork London
Irish Traveller Movement in Britain
Islington Boat Club
Lambeth Voluntary Action Council
London Community Resource Network (LCRN)
London Learning Consortium
London Refugee Voice
London South Bank University
London Training and Employment Network
London Voluntary Sector Training Consortium (LVSTC)
London Voluntary Service Council (LVSC)
London Youth
My Voice London
National Council for Voluntary Organisations (NCVO)
North London CVS Partnership
Open College Network London Region
Praxis
Prince's Trust
Race on the Agenda (ROTA)
Rathbone
Refugees in Effective and Active Partnership (REAP)
Royal London Society for the Blind (RLSB)
Royal National Institute for Deaf People (RNID)
Sacoma
Selby Trust
South London CVS Partnership
Springboard Southwark
Third Age Foundation
Wandsworth Youth Enterprise Centre
Wise Owls
West London Network
West London YMCA
Women in Manual Trades
Women Like Us
Workers' Educational Association (WEA)