

EXPLANATORY MEMORANDUM TO
THE EMPLOYMENT ZONES (AMENDMENT) REGULATIONS 2007

2007 No. 924

1. This explanatory memorandum has been prepared by the Department for Work and Pensions and is laid before Parliament by Command of Her Majesty.

2. Description

2.1 The Regulations amend the Employment Zones Regulations 2003 (S.I. 2003/2438) (“the 2003 Regulations”) which support the employment zone programme, a scheme which operates in areas designated by the Secretary of State, to assist jobseekers allowance claimants obtain sustainable employment.

2.2 The Regulations amend the 2003 Regulations to include provisions for employment zones where more than one contractor provides an employment zone programme. Subject to certain exceptions, the amendments provide that in these employment zones a claimant for jobseeker’s allowance may choose the contractor with whom he will undertake the programme. If the claimant fails to choose a contractor, an employment officer may direct the claimant to take part in the programme provided by a specified contractor. Where a claimant has begun but not completed an employment zone programme with a particular contractor operating in the employment zone an employment officer can direct the claimant to complete the programme with the same contractor.

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None.

4. Legislative Background

4.1 Since 27 October 2003, the 2003 Regulations have provided the regulatory framework for the operation of the employment zone programme in employment zones where only one contractor provides the programme in that area.

4.2 The Employment Zones (Allocation to Contractors) Pilot Regulations 2006 (S.I. 2006/962) (“the 2006 Pilot Regulations”) provides the regulatory framework that applies to employment zones where more than one contractor provides an employment zone programme (“multiple provider employment zones”). The 2006 Pilot Regulations enable claimants of jobseekers allowance to be directed to one of the contractors providing the programme on a sampling basis. These Regulations replaced similar pilot regulations that applied to multiple provider employment zones in previous years (S.I.’s 2004/934 and 2005/1125). The 2006 Pilot Regulations will expire on 23 April 2007.

- 4.3 These Regulations make amendments to the 2003 Regulations to come into effect on 23 April 2007 which, subject to certain exceptions, will provide for claimants living in or claiming their jobseekers allowances in multiple provider employment zones to choose the contractor with whom the claimant wishes to undertake the employment zone programme.

5. Territorial Extent and Application

- 5.1 This instrument applies to Great Britain.

6 European Convention on Human Rights

- 6.1 As the instrument is subject to the negative resolution procedure and does not amend primary legislation, no statement is required.

7 Policy Background

- 7.1 The employment zone programme was established in April 2000 in 15 areas of Great Britain (subsequently merged to 13 areas). Employment zones are located in areas with persistently high levels of long-term unemployment and were established as an alternative method of delivering personalised support to the unemployed. Within employment zones, private and public/private sector advisers work with participants, providing innovative and flexible solutions to assist them to find sustainable employment.
- 7.2 In six of the larger “multiple provider” employment zones, a pilot has operated since 2004 in which jobseekers have been allocated on a sampling basis to one of several contractors providing an employment zone programme in the area. The aim of this pilot was to test the impact of competition between contractors. In each of the remaining seven employment zones the programme has been operated by a single contractor.
- 7.3 Ministers have now decided that they wish build upon the benefits already realised by the limited competition within multiple provider employment zones and explore the advantages that may be realised by replacing sampling with a system of customer choice.

Consultation

- 7.4 The Department has formally consulted the Social Security Advisory Committee regarding these regulations, the committee has given its approval to proceed without public consultation.

Guidance

- 7.5 Guidance will be available for staff in the pilot areas in order for them to effectively implement and run the programme.

- 7.6 Customers will have access to two information leaflets, both issued to them around one month in advance of the date when they are expected to join the programme. The first leaflet will provide general information about the employment zone programme and will explain the content of the programme and the penalties for not attending or participating in the programme. The second leaflet will provide information about the employment zone contractors operating in their area, their locations, their web sites and other contact details.
- 7.7 The text of both leaflets will be available in other languages on demand to meet the needs of all our customers.

Consolidation

- 7.8 There are no plans for consolidation of the legislation. Informal consolidated text will be available at www.dwp.gov.uk/advisers/docs/lawvols/bluevol/.

8 Impact

- 8.1 A Regulatory Impact Assessment has not been prepared for this instrument as it has no impact on business, charities or voluntary bodies.
- 8.2 These regulations do not give rise to new public expenditure.

9 Contact

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