

Open Door Policy: Why the new government should introduce an Employment Advice Guarantee

July 2024

Phoenix Insights have supported Demos on their new report [Open Door Policy: Why the new government should introduce an Employment Advice Guarantee](#). This report draws on expert insights and nationally representative polling to quantify the scale of the 'employment advice gap' in the UK. This is the gap between the number of people who want to access employment advice and then number of people who actually do so through one of the UK's public services.

We know that work is an important part of many people's lives but currently too many people face barriers to being in the kind of work they want or need. This leads to people being unable to save for the future or being pushed into pre-retirement poverty. This report draws on Demos' research alongside other sources to set out the scale of the gap in employment support currently on offer,

Challenges for the current UK labour force

The UK is facing serious challenges with its labour force related to participation and productivity. The proportion of people in work today remains lower than it was before the pandemic in 2019, while employers have over 900,000 vacancies unfilled. Over the last decade both employers' investment in training and government spending on adult skills have fallen.

Moving into work can help people save more for the future. Phoenix Insights research shows that there remains a significant under-saving crisis for many groups in the UK who are not on track for the retirement they want or expect. Helping people back into work will in turn help them to save for the future retirement that they desire.¹

¹Great Expectations – the Longer Lives Index (Phoenix Insights, 2022)

Challenge one: Public employment services are not universal

Jobcentre Plus (in England, Scotland and Wales) is a combined benefits administration and employment support service. Crucially, support is only available for people receiving benefits and who are required to look for work under benefits rules.

Only **18%** of jobseekers in the UK use a public employment service, compared to **60%** in France and **74%** in Germany.

Challenge two: Employment support and careers services are fragmented and awareness of them is low

Demos found that almost half (**48%**) of people had not heard of the National Careers Service and only **7%** of all respondents said they had used it in the last two years.

This tells us that people are generally unaware of the services available, coupled with a lack of coordination of services at local, regional and national levels.

We also know from the National Careers Service annual report that two in three (64%) people hear about the National Careers Service via Jobcentre Plus.² This means that awareness of the National Careers Service among those who cannot access Jobcentre Plus is even lower - which again makes it harder for people to access careers advice and employment support. The UK has the least-used public employment service of all OECD countries.

What do people want? (findings from the Demos research)



²National Careers Service Customer Satisfaction and Progression Annual Report, Department for Education, May 2022-April 2023

What do we do about it? Proposed solutions

1. 'Employment advice guarantee'

This would guarantee that if you want advice or support related to jobs, careers or work you will be able to access it. This applies to everyone, whether you're currently working or not. It includes access to both online resources and the option of speaking to an adviser by video/telephone/face-to-face – to talk about your options and work out what is available to you. If you are currently unemployed you will be able to access additional advice or support, suited to your circumstances, to help you get a job.

2. Digital front door

An all-access 'front door' which should make it as easy as possible for anyone to access careers advice and employment support. In the medium term Demos have proposed 'Jobs and Careers Service England' which should integrate digital and in-person services. In the short term here are **four reasons** why we recommend starting with a 'digital front door':

1. Results from Demos research tells us that people want a digital and remote access service as a priority.
2. This will increase inclusivity and accessibility of the services to a greater number of people i.e., those in employment, who have caring responsibilities, health conditions etc.
3. To make better use of existing resources – the 'front door' would refer people to existing advice and support relevant to them, whether online or through an adviser face to face. This will make better use of existing collective capacity and help smaller organisations by reducing the amount of time and money they need to spend on marketing.
4. In a constrained fiscal environment, initially creating Jobs and Careers Service England as a 'digital front door' is cost-effective for the government We recommend that the government should allocate £50 million to DWP to set up and run Jobs and Careers Service England for its first year. For comparison, the previous government allocated £580m for the Restart programme, £365m for Universal Support and £65m for WorkWell (costs in 2025/26).

Employment support will not only benefit individuals for the future but improve the UK's productivity and the labour market. While creating a 'digital front door' is a great first step to triage people to the relevant support that they need, further reforms should be introduced over time to increase the uptake of employment support and careers services for all who could benefit. Reforming a major public service like JobCentre Plus and the National Careers Service will take time, but taking initial steps quickly to open up access to support presents a critical opportunity to support UK economic growth. Phoenix Insights welcomes how the 'digital front door' ties into Demos' Universal Work Service as well as the forthcoming work of the Commission on the Future of Employment Service by the Institute for Employment Studies.