**EXPLANATORY MEMORANDUM TO**

**THE EMPLOYMENT ZONES (ALLOCATION TO CONTRACTORS) PILOT REGULATIONS 2006**

**2006 No. 962**

**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 support the pilot scheme for jobseeker's allowance claimants whereby claimants who meet certain qualifying conditions are allocated to one of several employment zone contractors operating an employment zone programme. The pilot operates in the six areas listed in the Schedule to the Regulations. Employment zone programmes are designed to assist jobseekers obtain sustainable employment.

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

3.1 None.

## 4. Legislative Background

4.1 The Employment Zones (Allocation to Contractors) Pilot Regulations 2006 enable the pilot programme operated in six employment zones to continue for a further 12 month period.

4.2 The use of the affirmative procedure is required by section 37(2) of the Jobseekers Act. The power in section 29(1) and (3) of the Jobseekers Act is relied upon in order to establish a pilot scheme to impose the sanctioning regime in section 19 of the Jobseekers Act on certain people who are claiming a jobseeker's allowance and who have been selected on a sampling basis to participate in an employment zone programme operated by a particular employment zone contractor.

4.3 The Jobseekers Act permits regulations made under section 29(1) to last for a period not exceeding 12 months. Section 29(5) of the Act allows for the replacement of a pilot scheme by a further scheme making the same or similar provision.

4.4 These Regulations replace the Employment Zones (Allocation to Contractors) Pilot Regulations 2005 (S.I. 2005 No 1125) which expire on 24 April 2006.

## 5. Extent

5.1 This instrument applies to Great Britain.

## 6. European Convention on Human Rights

6.1 The Minister of State for Employment and Welfare Reform, Margaret Hodge has made the following statement regarding Human Rights:

In my view the provisions of the Employment Zones (Allocation to Contractors) Pilot Regulations 2006 are compatible with the Convention rights.

## 7. Policy Background

7.1 Employment Zones were established in 15 areas of Great Britain in April 2000. Employment Zones were 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. Despite the ongoing fall in the national levels of unemployment, there remained areas where the long term unemployed found it difficult to make the move into work. 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 2002, the Chancellor announced in his Pre-Budget Report that the Government would test the effect of introducing multiple providers in the largest Employment Zones from April 2004. In these Employment Zones jobseekers would be allocated to one of several contractors providing an employment zone programme so that the effectiveness of the provision could be evaluated.

7.3 The multiple provider pilot commenced in the six largest Employment Zones in April 2004. These regulations will enable the pilot to continue for a further year.

7.4 Monitoring and evaluation of the pilot is now well advanced. During the course of the next 12 months further analysis of the Employment Zone programme will continue and an evaluation report of the success of the pilot will be published.

7.5 The evaluation report will inform further consideration of the future development of the Employment Zone programmes.

## 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 The regulations do not give rise to new public expenditure.

## 9. Contact

9.1 Richard Jackson at the Department for Work and Pensions Tel:0114 2677 379 or e-mail: richard.jackson@dwp.gsi.gov.uk can answer any queries regarding the instrument.