

*These notes refer to the Welfare Reform and Pensions Act
1999 (c.30) which received Royal Assent on 11 November 1999*

WELFARE REFORM AND PENSIONS ACT 1999

EXPLANATORY NOTES

COMMENTARY

Commentary

Claims yet to be determined and suspended payments

Section 60: Special schemes for claimants of Jobseeker's Allowance

Background

This section enables the establishment of Employment Zones. Employment Zones are defined geographical areas where the Secretary of State for Education and Employment contracts with external organisations, either public or private, to try to help long-term unemployed claimants of Jobseeker's Allowance (JSA) to find sustainable employment.

Plans for Employment Zones were announced by David Blunkett, the Secretary of State for Education and Employment, on 2 February 1999, and consultation over the detailed elements of the proposals finished on 30 April 1999. Five prototype Employment Zones and three further, smaller-scale development projects were set up during 1998, under existing legislation. But in order fully to implement Employment Zones, primary legislation was needed in the following areas:

First, Employment Zones are concentrated on specific areas of high long-term unemployment; yet existing legislation limited the Secretary of State's powers to alter the conditions of entitlement to JSA for different areas of the country;

Second, a key feature of Employment Zones not available in the prototypes is the "Personal Job Account". This will be an account set up for individual participants in the Zone— with the aim of getting them back to work more quickly. It will enable them to anticipate up to 6 months of the funding for training and jobsearch, combined with funds equal to the payments that they would normally receive from JSA.

Third, legislation was required so that, for example, when people do not conform to the requirements of the Employment Zone (e.g. fail to complete and agree an Action Plan with their personal adviser), without good cause, their JSA payments could be withheld.