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Building bridges to work: new approaches to tackling long-term worklessness



Building bridges to work: new approaches to tackling long-term worklessness

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Command of Her Majesty

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**Disability Work Division
2nd Floor
Caxton House
Tothill Street
London
SW1H 9NA**

Telephone: 020 7712 2551

Email: building.bridges@dwp.gsi.gov.uk

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Foreword

Everyone should have the opportunity to work and to thrive in their job.

Work benefits everyone. It helps people provide for their families, develop self worth and well being, build social contacts that forge strong communities and to contribute to the economy.

In the recessions of the 1980s and 1990s, long-term worklessness soared. Too many people were given no support to get back to work and simply consigned to a life on benefits - with devastating consequences for families, communities and our economy.

We have learned the lessons of those recessions. Since 1997, we've radically reformed welfare, introducing the New Deals to give benefit claimants extra help but also stronger conditions and responsibilities.

It's also why we chose to act to help people through the worst of the recent global economic crisis and invested £5 billion to help keep unemployment half a million lower than expected this time last year.

This action has also helped prevent the big increases in inactivity we saw in the 1980s and 1990s.

But we need to go further. Radical reform of welfare and employment support is even more important as we come out of recession to tackle the legacy of the past, and to prevent long term worklessness in future.

Building Bridges sets out how we will press ahead with the major reforms that are already underway, but also how we will go further with new rights and more responsibilities to get more people back to work.



**The Rt Hon
Yvette Cooper MP
Secretary of State for Work and Pensions**

Executive summary

Tackling the legacy of the past

1. Everyone should have the opportunity to work and to thrive in their job. Work is generally good for people, providing income, social contact, and improving well being. People who are out of work should be actively supported back to a job wherever possible.
2. In the past too many people who were out of work were written off; most were given no support to get back to work, few responsibilities to meet in return for their benefits, and were simply consigned to a life on benefits. Too many places with high unemployment were neglected and allowed to decline and this had disastrous consequences. In the 1980s and 1990s long-term worklessness soared – with a more than doubling of the numbers on long-term sickness benefits and significant increases in the number of lone parents out of work. The worst increases were during the recessions.
3. Since then we have introduced major reforms including the New Deals, extra support and help, but also stronger conditions on benefit claimants to seek work or prepare for work in future as part of our ongoing welfare reforms. This “something for something” approach has helped bring worklessness down and prevent some of problems we saw in previous recessions.
4. But we need to go further. Radical reform of welfare and employment support is even more important as we come out of recession to prevent the long term scarring that we saw in previous decades. We need to press ahead with the major reforms we have planned, but also to go further with new rights and responsibilities to get more people back to work.
5. That is why this document sets out the next steps on welfare reform and tackling long term worklessness. It sets out our timetable and plans to abolish old style incapacity benefits and to roll out the new Work Capability Assessment to long term claimants to look at what they can do, not just what they can’t do.
6. We are also announcing further changes to the assessment and new help and stronger conditions to accompany it – so that those who are found fit for work get extra intensive help and support to get a job. Meanwhile those who are not currently fit for work will get a new programme of more personalised support, conditions and a personal timetable for reassessment so they can best prepare to return to work in future.
7. But as we come out of recession we believe that more is needed to prevent the scars of long term unemployment and also to prevent anyone who is fit for work being left to a life on benefit.

8. That is why we are announcing the extra step of a new Guarantee of a job or work placement for long term job seekers that they will be required to take up. At the same time we are also offering a Guarantee of a place on Work Choice, on a voluntary basis, for those with the most serious health conditions or disabilities who want to work but who may struggle in unsupported work.
9. We are taking tough decisions to ensure we can deliver this improved support within existing Departmental budgets by reshaping our Pathways programme and the support through Jobcentre Plus for the long term unemployed, given the importance of delivering value for money and supporting the public finances. But by helping more people back to work and helping people avoid long term unemployment or sickness claims, this will also help save money on benefits too.
10. This will be a radical change in the way we use our resources to support people at risk of long-term worklessness – by providing more personalised help and conditions coupled with guarantees to prevent those who are able to work spending a lifetime on benefits. Helping the unemployed, and people on benefits who could get back to work, into jobs is the best way to help them, their families and the tax payer.

Since 1997

11. Worklessness has fallen, and the action we've taken has prevented a big increase in inactivity during this recession. Inactivity, excluding students, has fallen by over two percentage points of the working age population since 1997¹.
12. Help to get the unemployed back to work and to avoid long-term unemployment has kept unemployment half a million lower than expected last year. Long term unemployment is a fraction of what it was in previous recessions and is significantly below what it was in 1997.
13. More childcare and support for lone parents and new requirements for lone parents with older children to look for work has enabled many to get back to work. The lone parent employment rate has increased by 12.1 percentage points between 1997 and 2009 – an increase of 365,000 lone parents in work².
14. Help for older workers such as legislating against discrimination means that the gap between the overall employment rate and that for older workers has fallen by over six percentage points³.
15. Support for people on incapacity benefits and a more accurate medical assessment are helping people who can work to access back-to-work support while ensuring those who cannot work temporarily are kept in touch with the

¹ Labour Force Survey, 2009 Q4

² Ibid.

³ Ibid.

labour market. The employment rate for disabled people has increased by five percentage points in the last ten years⁴.

16. Despite the sharp fall in economic growth over the last two years, fewer people are claiming inactive benefits today than in 1997⁵ and the number has even fallen during the recession. Between late 2007 and late 2009 the number of people on inactive benefits has **reduced** by 75,000, whereas in the first 2 years of the 1990s recession the numbers went up by 475,000.

Tackling worklessness in the recovery

17. But substantial challenges remain if we are properly to address the long term legacy of worklessness from previous recessions as well as preventing long term scars from the current recession too.
18. We believe there are still too many people on long term benefits who could work with the right support and conditions in place. This paper sets out the next steps in welfare reform and tackling long-term worklessness to make sure no individual and no place gets left behind in the recovery and no one spends a life on benefits.
19. For the young unemployed and newly unemployed we have already put in place substantial help to get them back to work or into training. This includes the £1 billion Future Jobs Fund, and a guarantee of a job, training or work experience for young people, which they will be expected to take up as a condition of their benefit. Around three quarters of new claimants are spending less than six months on benefit⁶.
20. For lone parents we are introducing stronger requirements to seek work for those with children seven and over from later this year, alongside action to improve part time and flexible working, and a guarantee they will be better off in work.
21. But we want to do more for disabled people and people with health conditions, and also for those who are at risk of long-term unemployment or worklessness.
22. After previous recessions, it was those on sickness benefits and those who had been out of work for more than a year who were least likely to make it back into employment as the economy grew. Certain places were also neglected and left scarred as a result. This time as we build the recovery, we are determined to do more to make sure some people and places don't get left behind as they did after previous recessions.

⁴ Ibid.

⁵ ONS National Statistics March 2010 and DWP Early Estimates

⁶ Ibid.

Welfare reform

23. So this paper sets out radical reforms to help those on long-term sickness and unemployment benefits.
24. It follows the broad principles we set out in *Building Britain's Recovery: Achieving Full Employment* including:
- that no-should be one written off;
 - personalised support for all customers;
 - “something for something:” a clear offer that widens the right to support and deepens the responsibility to take up this support; and
 - a partnership between the government, employers, providers, local authorities and other partners.

Getting people the right support

The Work Capability Assessment

25. The introduction of the Work Capability Assessment and the new Employment and Support Allowance in 2008 marked a new beginning in the way we assess and support people who are out of work due to a health condition or disability. Focussing on what people can still do, once their health condition has been acknowledged and taken into account it is already finding more people fit for work and steering them to the active back-to-work support available through the jobseekers regime.
26. The Work Capability Assessment also identifies accurately those who may be able to return to work in the future, those who are required to prepare and move towards work now and those who are neither able nor expected to consider work at all because of the seriousness of their condition.
27. For those with the most serious conditions it is right that, as a decent society, we ensure that they get all the help they need – the introduction of Employment and Support Allowance Support Group has enabled us to provide them with additional financial support.
28. Starting in October we will reassess everyone currently on old style incapacity benefits according to the Work Capability Assessment. This will involve a major programme to assess 10,000 people each week in addition to handling new claims, with an ambitious timetable to abolish old style incapacity benefits by 2014.
29. We will also make further adjustments to the Work Capability Assessment to ensure people are directed to the right kind of support for their health condition. We are revising the assessment to take better account of people's ability to adapt to their disability, as well as introducing improved ways to assess physical and

mental function, greater sensitivity to fluctuating conditions and illnesses, and entitlement to the Support Group for those about to undergo chemotherapy.

More personalised help for those who are unable to work

30. For those who currently are not expected to work but who, with the right support, may be able to return to work in future, we believe more personalised support and conditions are needed.
31. Currently those on health-related benefits can get help through Pathways to Work, which was one of the first real, large scale attempts to link rights and responsibilities for people on incapacity benefits, and to help customers move towards work. It has provided strongly welcomed support for many claimants to manage their health conditions and to get back to work.
32. However the current Pathways scheme was designed before the introduction of the Employment and Support Allowance and the Work Capability Assessment. It involves similar interview regimes for customers with very different health conditions and needs, and does not offer the breadth of support that is available to other groups, such as job seekers. Recent studies have found it is not sufficiently cost effective at helping people into work.
33. Given these factors, we believe it is time to move towards a more personalised, localised and flexible approach which provides more intensive support to customers on JSA, and more personalised support for those on ESA, in both cases responding to every individual's personal circumstances.
34. Each new Employment and Support Allowance claimant will get a personalised timetable to be reassessed as a condition of receiving benefit alongside a personalised regime of support and requirements to take up that support. This means that most people will be expected to move off Employment and Support Allowance within two years.
35. People with severe levels of disability or illness or for whom it would be unreasonable to expect to move towards work are placed in the Support Group, which provides additional financial support without requiring engagement in back-to-work activity
36. Some claimants may need intensive help quickly, others might benefit from a period to recover from treatment or illness before activity begins. Advisers will be able to offer a range of personalised support, including access to the Future Jobs Fund in areas of high worklessness.
37. We will engage with welfare to work providers and a range of other partners in the coming months to discuss the best way to deliver this programme to meet the need of customers in different localities. However, we expect to deliver it through a combination of Jobcentre Plus and contracts with the private, public and voluntary sector, building on our current experience.

38. We are also developing more radical models of funding to help get people into work. We will shortly pilot new flexibilities for Jobcentre Plus to make more local decisions about allocating resources to deliver the best results.
39. From next year we will begin piloting two innovative funding models with providers which will give them greater scope to innovate and design new solutions to help customers. These will give providers more flexibility to help people on different benefits, with payment by results which provides greater incentives to help those who are hardest to reach.
40. We are also piloting the so called DEL/AME switch so providers can invest up front and get paid from savings on lower benefit bills in the future.
41. We believe these approaches have considerable potential. However as they involve complex contracts and with potentially very large sums of public money at stake, we consider it is vital to pilot these to protect the public finances and public service delivery.

More support for job seekers with health conditions

42. Some people who are found fit to work may still be managing a health condition or disability. So we will provide new health-related support that will be available to people regardless of whether they are claiming Jobseekers Allowance or Employment and Support Allowance – including a new programme to manage health conditions developed with the NHS.
43. As those on incapacity benefits are reassessed according to what they can do, it is likely that some people who have been on long-term incapacity benefits will now be found fit for work. As many of them may have been out of work for a long time, we will provide them with extra intensive support including extra adviser time, access to extra support with job search, confidence building, skills and training. We will ensure they have immediate access to work trials and volunteering programmes to build up their work experience. We will also allow earlier access to the extra support that becomes available later in a claim, the Flexible New Deal and the Future Jobs Fund.

Preventing long-term unemployment and worklessness

44. Support to help people into work is vitally important. But a small number of people do not get a job despite engaging with the support we provide. In the past they would have received little additional help beyond the core Jobseekers regime and may have drifted into long-term worklessness. We will change this so that no one need spend a life on benefits.
45. Where people have done their bit, worked hard to try and find a job and yet are still unemployed, we believe the government should step in and do its bit too. We will guarantee employment or work placements for all those who are fit for work but cannot find work after two years – with a requirement to take it up.

46. Those with severe and complex disabilities who want to work should be able to access similar support – though only on a voluntary basis. Eligibility for Work Choice is not tied to receipt of a particular benefit – Employment and Support Allowance and Jobseekers Allowance customers are already able to join Work Choice at any point in a benefit claim if this is appropriate for them.
47. But for customers who remain on Employment and Support Allowance for more than two years and want to work we will provide a guaranteed place on Work Choice which we are expanding.
48. For some this may lead to the offer of supported employment while others will be able to progress into unsupported employment.

Help in work and the role of employers

49. The Government cannot tackle long-term worklessness alone; employers are crucial to our efforts.
50. Many employers are already seeing the rewards of a diverse work force. We expect all employers to take their duties under equality legislation seriously including making reasonable adjustments to the workplace or to processes to accommodate disabled employees.
51. Some adjustments will be beyond what is reasonable, particularly for smaller employers. We will be sharply expanding the budget for the Access to Work programme, so it can provide financial assistance to more disabled workers. But we will also be expecting larger employers to contribute more to the cost of adaptations and equipment for the workplace, which we will re-invest to allow us to waive all contributions from the smallest employers.

Creating opportunities in disconnected areas

52. Just as we are clear that individuals will benefit from a more personalised approach, we also recognise that communities have different experiences of worklessness. In previous recessions those areas which saw major redundancies, particularly in manufacturing, often saw big increases in the numbers of people on long term sickness benefits too.
53. Unlike in previous recessions when areas with heavy industries bore the brunt of the job losses, this recession has been more evenly spread across the regions and that the employment gap for the most disadvantaged areas has remained broadly unchanged. However, different communities still face different economic prospects and have different experiences. Those areas with the highest historic levels of worklessness and sickness benefits still face bigger challenges in the current recovery.
54. In areas of strong labour demand we need better tailored and personalised support for those that are excluded as a result of poor skills levels, significant personal barriers to work and a lack of aspirations. Other areas will need more

support and in those areas we will match a more personalised offer with an increased focus of regeneration on the causes of worklessness. Building on the Total Place approach, we will work with local authorities, the Regional Development Agencies and the Homes and Communities Agency to promote more radical and innovative locally led solutions to challenges of tackling long-term worklessness too.

Conclusion

55. We believe that these plans will help many more people into work; enabling more to reap the benefits of a career, help combat poverty and social exclusion. As the economy grows and recovers we are determined to ensure that this time no one is left to a life on benefits and no place is disconnected from economic opportunity.

Chapter 1: The problem of worklessness

Summary:

Everyone should have the opportunity to work and most people do work, even in these difficult economic times. But historically too many people have been left behind with no help to get into work, leading to a legacy of long-term worklessness.

Worklessness is bad for the individual, their family, community and the taxpayer. It has been created by the legacy of past recessions and structural changes in the economy, so that unemployment, lone parenthood and sickness or disability have too often resulted in long-term detachment from the labour market.

We have made good progress since 1997 by deepening both the support we provide and the responsibility on the individual to take this up. In the decade since 1997 inactivity excluding students fell by around 300,000 and the number of people on inactive benefits fell by more than 250,000.

Even during the recession, we have not seen the kinds of problems caused in the 1980s and 90s. Indeed, the number of people on inactive benefits has continued to fall – reducing by 75,000 since late 2007, compared to an increase of 475,000 during the first two years of the 1990s recession. And long term unemployment has gone up during the recession, but remains considerably lower than in past recessions.

But there is more to do – particularly for those on long term sickness benefits and long term unemployment. After previous recessions, it was those on incapacity benefits and those who had been out of work for more than a year who were least likely to make it back into employment as the economy grew. This time as we build the recovery, we are determined to do more to make sure no one is left to a life on benefits.

This paper sets out the radical next stage of welfare reform, focussing on how we can reduce these numbers. Our proposals are guided by a clear set of principles:

- no-one written off: we want to see no one left to a life on benefits;
- a personalised offer of support for all customers:
- a clear, 'something for something' offer, which is simple to understand and which widens the right to support and deepens the responsibility to take up this support: individuals have the responsibility to move towards, and into work – in return, they should get the help they need to do so; and
- working in partnership: Government cannot achieve this change alone, employers, providers, local authorities and other partners must also play their part.

Worklessness: the problem

1. Everyone should have the opportunity to work and to thrive in their job. Even in difficult economic conditions, most people are in work. Nearly 29 million are in employment and over 72 percent of the working age population is employed⁷. Many others are actively looking for work or gaining new skills before entering the labour market. The UK employment rate is above the EU average, and is higher than that of the USA.
2. People are out of work for many different reasons. Around 2.25 million people are looking after family or home, whilst around 2.3 million are students – a figure that has increased substantially in the last fifteen years. Some are looking for work, some are too ill to work right now; others have taken early retirement or a break between jobs.
3. For many people a temporary period not in paid work, caring or studying, is a very important part of their lives. But our concern is to prevent long term worklessness and prevent those who may be able to work from being stuck on long term benefits instead.
4. Historically a significant number of people have been written off – detached from the labour market, and left on inactive benefits with no help, encouragement or expectation to get back to work. In the last decade the Government has started to tackle this legacy of long-term worklessness. There are now fewer people on inactive benefits than in 1997⁸. However there is more to do if we are to continue to reduce this legacy and ensure everyone has the opportunity to work.
5. Work is vitally important – for the individual, it can improve health and self esteem; for their family and community, it reduces the scourge of poverty and community breakdown, and for the taxpayer, it reduces the benefits bill and increases the wealth of the nation.
6. In comparison, long term worklessness, coupled to poor or declining health and other challenges such as social exclusion, carries a high cost. For instance, the annual economic costs of sickness absence and worklessness associated with working-age ill-health are estimated to be over £100 billion⁹; more than the NHS budget for 2009/10.

“For me work is about meeting people. It gets you out during the day as well and obviously there’s the pay at the end, so really it’s a different lifestyle”

A customer who had just started a new job after three years out of work

⁷ ONS Labour Market Statistics March 2010 and DWP early estimates

⁸ Ibid.

⁹ Black, C. (2008). *Working for a healthier tomorrow: Review of the health of Britain’s working-age population*. TSO

Worklessness: what drives it?

7. The causes of worklessness remain varied. Some people lose their jobs and are searching for new work. For some it is a choice to study, to care for young children or elderly relatives, to take early retirement or a break from paid work if they can afford it. These choices are important. But others will find themselves unable to sustain employment – for example through sickness or disability – and need support.
8. Historically a significant number of people have been written off from the labour market, left to become long-term unemployed or to a life on inactive benefits. Too many people losing their jobs during past recessions, or as a result of structural changes in the economy, were given no support to move into new jobs. Others were even encouraged to become inactive, moved onto incapacity benefits and left without support or hope that that they might one day get a job. This led many people to become detached from the labour market and in some families worklessness became the norm. For instance, from 1990 to 1995 the number of people on inactive benefits increased by one million¹⁰. We have been dealing with that legacy ever since.
9. There are a number of reasons why individuals fall into worklessness and additional reasons why a period out of work can become long-term worklessness. People may become unemployed through changes in the economy or their employer. Or they may leave work for other reasons, for example to take on caring responsibilities, to study or because of sickness or disability.
10. Most people in these situations will want to return to work at some point but if the right support is not provided or the right conditions are not attached to a benefit there is a risk, seen too often in the past, that a short period out of work develops into entrenched long-term worklessness and poverty. This is particularly a concern if no one in the household is in work, and where children are at risk of growing up in poverty too.

Taking action – progress since 1997

11. Although in the past two years we have felt the impact of the global recession, the progress since 1997 has meant that the labour market is more flexible and resilient. We have introduced major reforms including the New Deals, extra support and help, but also stronger conditions on benefit claimants to seek work or prepare for work in future as part of our ongoing welfare reforms. The consequence of this was to help more people off inactive benefits and into work with a big drop in long term unemployment, more lone parents going into work, and falls in the number of people on sickness benefits after decades of rising.

¹⁰ DWP Work and Pensions Longitudinal Study, May 2009,
<http://statistics.dwp.gov.uk/asd/asd1/tabtools/timeseriesIBSDA.xls>

12. In previous recessions, as well as a sharp increase in unemployment, there were also large and sustained increases in inactivity. This means that far too many people withdrew from the labour market altogether – labelling yourself as ‘inactive’ means that you have given up on the possibility of work. During the current economic difficulties, we are not seeing the large and sustained increases in inactivity which were characteristic of previous recessions. Indeed, if it were not for the rise in the number of students in recent years, inactivity as a whole would have fallen in the last two years, despite the recession.
13. Not everyone who has given up the hope of work will claim out of work benefits – but many do. The numbers of people on benefits for people who are not expected to look for work (‘inactive benefits’) is an important indicator of the underlying strength of the labour market. It is also an indicator of the success or failure of wider policies to help people and communities in greatest need to share equally in the rewards that work can bring, to individuals and to the places in which they live.
14. In stark contrast to the 1980s and 1990s, the number of people claiming inactive benefits has actually fallen during this recession. Between late 2007 and late 2009 the number of people on inactive benefits has **reduced** by 75,000, whereas in the first two years of the 1990s recession the numbers went up by 475,000.

Figure 1: Economic inactivity excluding students

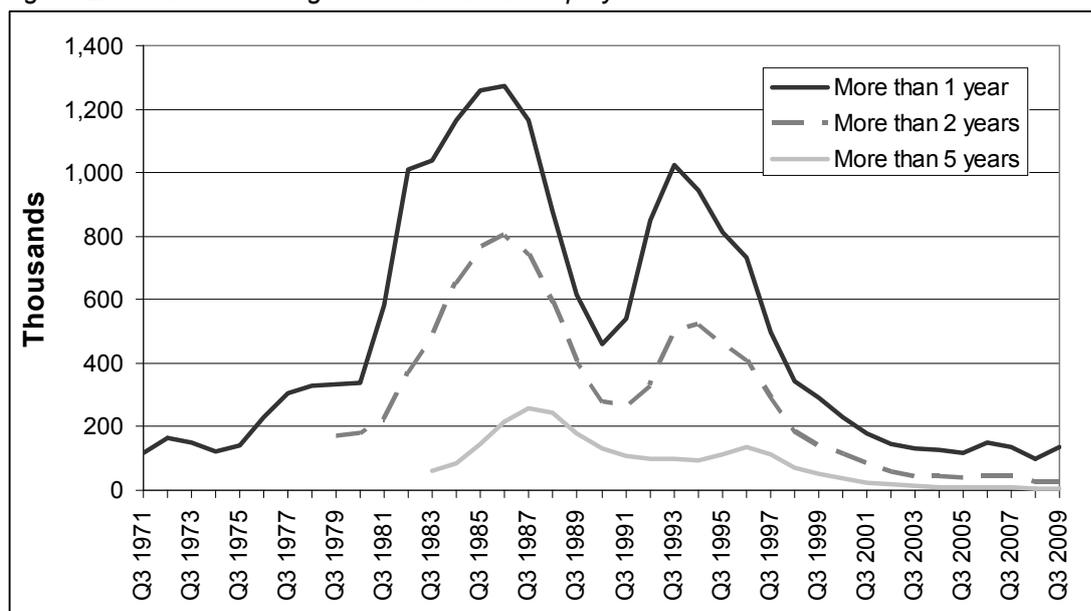


15. We will not repeat the mistakes of previous recessions. The old-style, passive, incapacity benefits have been replaced by the new, active Employment and Support Allowance. Most people on benefits are now required to engage with the help and support on offer, ensuring that, even when people are not ready for work immediately, they keep in touch with the labour market.

Long term unemployment

16. Jobseekers Allowance and the New Deals have been successful in getting people into work through mandatory employment support for unemployed people over many years. Building on this success, the new Jobseekers Allowance and the Flexible New Deal, which we started introducing in 2009, offers more personalised support tailored to individuals' needs and local labour market requirements.
17. As a result of our reforms we have seen sharp falls in long-term unemployment, with all parts of the country benefiting. And even though long-term unemployment has risen during this recession, it is only around a fifth of the peaks reached in the 1980s and 1990s recessions.
18. In response to the current economic climate the Government has provided extra support for all unemployed people, particularly the young, to prevent the increases in long-term worklessness of previous recessions. This includes a recruitment subsidy for employers, support for people who want to become self-employed and opportunities to take up work-focused training and volunteering.
19. For unemployed young people we have introduced the Young Person's Guarantee, including the £1 billion Future Jobs Fund, and launched the Backing Young Britain campaign. The Guarantee ensures that every eligible young person will receive an offer of a job, training or work experience and our campaign has seen hundreds of employers signing up to provide these new opportunities to young people.
20. These measures will help ensure that today's generation of young people are able to get jobs and prevent many people from becoming long-term unemployed.

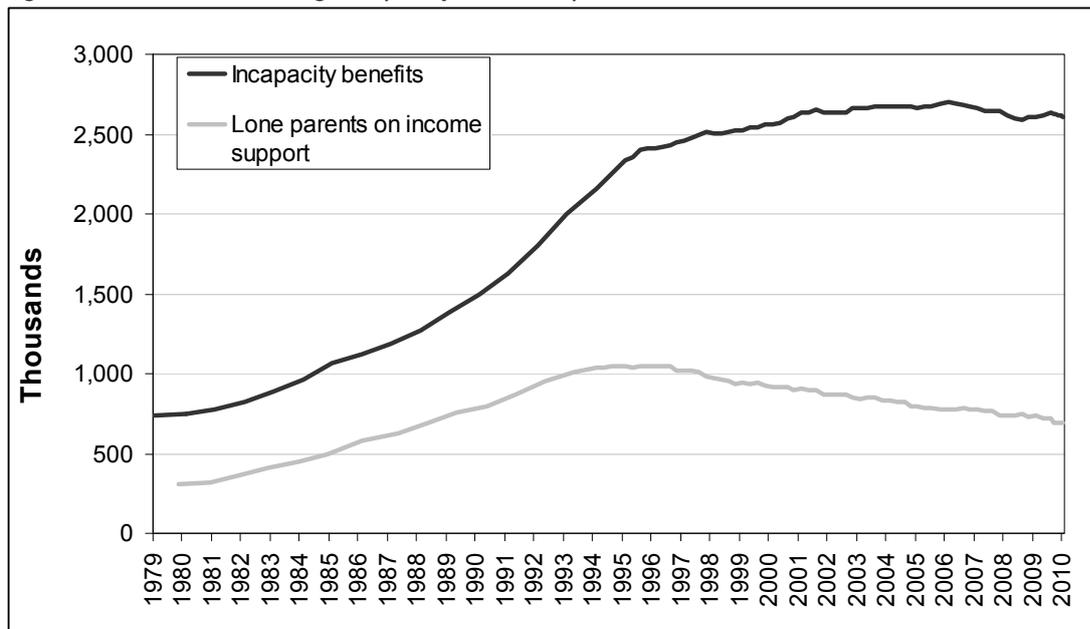
Figure 2: Reduction in long-term claimant unemployment



21. For others, who are not actively seeking work, the government has put in place a system of rights and responsibilities that mean almost all working age benefit

recipients (except for those with significant caring or childcare responsibilities or severe disabilities) should be on a journey back to work. In the past, these customers would have been written off, but we are determined not to make the mistakes of previous governments. This 'something for something' approach is showing results.

Figure 3: Numbers claiming incapacity and lone parent benefits



Lone parents

22. In 1997 there were around one million lone parents claiming inactive benefits.

Since New Deal for Lone Parents was introduced in October 1998, one million lone parents have participated and it has helped over 645,000 lone parents into work, of which nearly 60 percent have moved into sustainable jobs.

23. The lone parent employment rate has increased by 12.1 percent between 1997 and 2009 – an increase of 365,000 lone parents in work¹¹. External academic research has found that Government policy reform lay behind the rise in lone parent employment 1998 to 2003, while also increasing hours of work among those already in employment.¹²

24. Whilst we have already made considerable progress in helping lone parents back into the labour market, we have set out plans to go further to help them.

25. We now expect lone parents who are capable of work to actively seek work when their children are older. In return we have extended the provision of childcare and included more 'family friendly' measures in Jobseekers Allowance. For lone

¹¹ Labour Force Survey 2009 Q4.

¹² Gregg P, Harkness S, and Smith S (2009) "Welfare Reform and Lone Parents in the UK", *Economic Journal*, 119.

parents with young children, the Welfare Reform Act 2009 included requirements to undertake work related activity as part of a plan to progress and prepare for work.

Disabled people and people with a health condition

26. The incapacity benefits caseload more than tripled between the 1970s and the mid 1990s. Since 1997 we have stemmed the rise and before the recession were seeing real falls in the numbers claiming incapacity benefits, with the numbers falling by around 180,000 since its peak in 2003. In the recession we have not seen the large rises in incapacity benefits that were characteristic of previous recessions. Between 1990 and 1991 the numbers on incapacity and lone parent benefits rose by 200,000 and by 1995 the number was a million higher than five years earlier, whereas in this recession we have not seen a significant rise in incapacity benefits or Employment and Support Allowance. Other indicators such as the employment gap for disabled people have also remained broadly stable.
27. To prevent more people remaining on inactive benefits, we introduced the Work Capability Assessment and the Employment and Support Allowance. These changes mark a new beginning in the way we support people who are currently out of work due to a health condition or disability. They provide for a more accurate personalised medical assessment in conjunction with a new dynamic benefit for people who are not found to be fit for work at this time.
28. The Work Capability Assessment is rightly assessing more people as fit for work. This means many more people are able to take advantage of the back-to-work support of the jobseekers regime. This is a ground-breaking change that ensures people who are able to work get support and are not left behind on inactive benefits.
29. For people who are not assessed as fit for work, the Work Capability Assessment provides an indication of when an individual may be expected to recover with a follow up assessment at that time. Individuals who are not assessed as fit for work receive Employment and Support Allowance and receive support to stay in touch with the labour market as they recover.
30. In December 2008 we announced our intention to reassess existing incapacity benefits claimants, using the Work Capability Assessment and enabling people to move onto more appropriate benefits that provide a greater level of employment support.
31. These changes have stabilised the numbers of people claiming incapacity benefits, but there is more we must do if we are to enable more of these people to get back to work and tackle the legacy of long-term worklessness.
32. In 2003, we piloted Pathways to Work, the first large scale attempt to link rights and responsibilities for this customer group, and to help customers move towards work. This had some promising initial results but, in line with the changes brought about by the Work Capability Assessment, now needs to be rethought as part of a

comprehensive re-examination of our support arrangements for people with a health condition or disability.

Next steps

33. Now is the right time to undertake a review of the employment support we provide to disabled people, people with health conditions and others at risk of long-term worklessness, to ensure that it is appropriate to our changing customer needs and is rooted in the best available evidence. Radical reform of welfare and employment support is even more important as we come out of recession to prevent the long term scarring that we saw in previous decades. We need to press ahead with the major reforms we have planned, but also to go further with new rights and responsibilities to get more people back to work.
34. That is why this document sets out the next steps on welfare reform and tackling long term worklessness. Our policy is guided by a clear set of principles which form the backdrop for the rest of this paper:
- No one written off. As we move into the recovery, no one should be left to a life on benefits. We will not repeat the mistakes of past recessions but will ensure everyone can access support to help them back to work;
 - No place is left behind. In places struggling to recover from the recession we will need to ensure that this is a job rich recovery that offers genuine opportunities in all communities;
 - A personalised offer of support for all customers, which looks at what the individual needs. Personalisation is not about providing every service to everyone. It's about a better understanding of people's need and providing services to individuals who require them. Providing support where it is needed, not where it is easiest;
 - A clear, simple to understand, 'something for something' offer that widens the right to support and deepens the responsibility to take up this support: individuals have the responsibility to move towards and into work, in return they should get the help they need to do so; and
 - Working in partnership: government cannot achieve this change alone, employers, providers, local authorities and other partners must also play their part.

The rest of this paper

- Chapter 2 sets out our timetable for abolishing old style incapacity benefits and reassessing those currently on them. We also examine our review of the Work Capability Assessment and how we will further increase its accuracy.
- Chapter 3 discusses our new offer for people on Employment and Support Allowance, including how we will personalise support and conditions to best help customers prepare for work in the future.

- Chapter 4 details the extra back-to-work support that will be available to people who are fit for work but may face challenges whilst on Jobseekers Allowance due to a disability or a health condition.
- Chapter 5 explains the support that will be available to people who, despite fulfilling their conditions are unable to find a job, to prevent them spending a life on benefits.
- Chapter 6 outlines the increasing role we would like employers to play and how we will streamline in work support.
- Chapter 7 outlines how we will take co-ordinated action to tackle worklessness at a local level to ensure that no places are left behind as we emerge from the recession.

Chapter 2: The Work Capability Assessment

Summary

In the past too many people were consigned to a life on inactive benefits and not provided with support to get back to work. The introduction of the Work Capability Assessment and Employment and Support Allowance changed that.

This means more people are accurately being assessed as fit for work. They are now able to access back-to-work support through Jobseekers Allowance, where in the past they may not have had the support they needed to attain work.

Where a customer is not found fit for work and so stays on Employment and Support Allowance, they will be given a personalised time limit before they need to be assessed again. This coupled with the new framework of support that this paper describes will mean that many customers will leave benefit before the two year point of their claim.

To ensure the Work Capability Assessment is as accurate as possible we launched a review of it in March 2009. This review has consulted widely including with medical and other experts and disability groups.

As a result, we will take forward changes to the Work Capability Assessment, which will include:

- placing people awaiting chemotherapy in the support group;
- greater recognition of fluctuating conditions within the assessment itself;
- expanding the support group to cover people with certain communication problems and severe disability due to mental health conditions;
- making the language of the assessment clearer and the process simplified, to support fair and consistent application; and
- ensuring appropriate account is taken of individuals' adaptation to their condition or disability.

From October this year we will start to assess everyone currently on old style incapacity benefits using the Work Capability Assessment. This is a major programme, assessing 10,000 people each week in addition to handling new claims, with a timetable to abolish old style incapacity benefits by April 2014.

1. In the past too many people were consigned to a life on inactive benefits. They were provided with no support to get back to work and were instead written off from the labour market altogether.
2. The introduction of the Work Capability Assessment in 2008 marked a new beginning in the way we assess and support people who are out of work due to a health condition or disability. It focuses on what people can do and it is already finding more people fit for work and steering them to the active back-to-work support available through the jobseekers regime.

The work capability continuum

3. Health conditions and disabilities affect different people in different ways. So, when considering a person's capability for work, it is right that we should concentrate on the effects of someone's condition, not the condition itself.

Millie's story

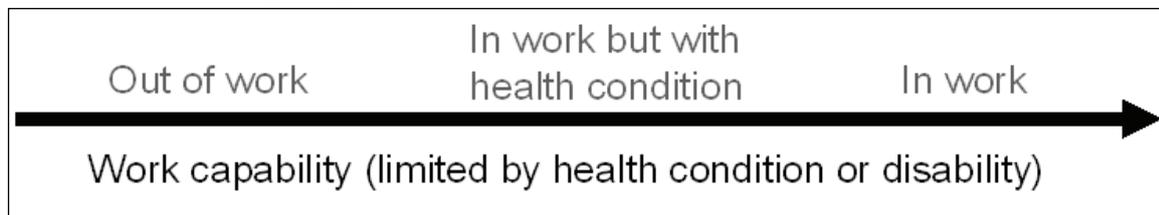
Millie has been a teacher for 12 years. She started losing her sight in her first year of teaching, now she is registered blind. Through the Government help, Millie has access to full-time sighted assistants to help her with paperwork and admin. She also has a computer which incorporates speech software.

Millie loves her job, she feels respected and she knows that she's good at her job.

She says *"People can be quite cagey with disabled people, when we're just the same as everyone else."*

4. We recognise that work capability is a continuum with being 'in work' at one end and gradually increasing distance from the labour market toward the other. The further an individual becomes from work, the harder it will be to get them back there.

Figure 5: the Work Capability continuum



5. For people who are out of work because of a health condition or disability, our first step must be to accurately identify an individual's position on the Work Capability continuum. The Work Capability Assessment enables us to do this.

A ground-breaking change

6. The Work Capability Assessment has dramatically transformed our approach to assessing capability for work. We no longer label people as ‘incapable’ of work, instead we focus on what they can do and what they can contribute to society.
7. This means more people are accurately being assessed as fit for work. They are now able to access back-to-work support through Jobseekers Allowance, where in the past they may not have had the support they needed to get work.
8. The Work Capability Assessment also identifies accurately those who may be able to return to work in the future, those who are required to prepare and move towards work now and those who are neither able nor expected to consider work at all because of the seriousness of their condition. For this final, vulnerable group, it is right that, as a decent society, we ensure that they get all the help they need – the introduction of Employment and Support Allowance has enabled us to focus resource more accurately and support these people appropriately.

A personalised timetable for reassessment

9. Those who are neither ‘fit for work’ nor are among the group with the most severe conditions will be found to have a limited capability for work, and will be provided with a personalised timetable to be reassessed as a condition of receiving Employment and Support Allowance alongside a personalised regime of support and requirements to take up that support.
10. For some people, who are perhaps waiting for an operation, or for an injury to heal, reassessment might be quite soon. For others, it may take a little longer. Others won’t see their condition itself change, but over time may adapt to that condition so that they can realistically think about work again. Each customer will be told that their work capability will be reassessed again in a particular length of time (with a maximum of two years between reassessments).
11. In many cases, this re-assessment should confirm that the customer’s health condition or disability has improved, or that they have adapted so that they are now fit for work. As a result, a customer’s time on Employment and Support Allowance should be about ensuring that they do not lose touch with the labour market, and addressing other obstacles so that they can move as swiftly as possible back to work once their health condition has improved sufficiently for them to do so.
12. For those with severe levels of disability or illness or for whom it would be unreasonable to expect them to move towards work, such as individuals who are terminally ill, the Employment and Support Allowance Support Group provides additional financial support without requiring engagement in back-to-work activity. It is right that we should provide this additional financial support. We will also leave the offer of engaging with all the support available to other ESA customers open to this group – on a purely voluntary basis.

Reviewing the Work Capability Assessment

13. We want the Work Capability Assessment to be as accurate as possible. So in the December 2008 White Paper, *Raising expectations and increasing support: reforming welfare for the future*, we announced a department-led review of the Work Capability Assessment. We began this review in March 2009 and consulted widely with medical and other experts and disability groups to investigate two principal questions:

- evaluating how effectively the Work Capability Assessment is at identifying work capability amongst individuals; and
- considering how it could be changed to take better account of an individual's adaptation to their condition.

14. We have published this internal review and an accompanying addendum which sets out the detail of how we will refine the accuracy of the current assessment and the amendments to legislation that we will take forward.¹³

15. This review will help us to better identify people's individual capability for work, and in particular to assess how someone may have been able to adapt to their health condition or disability – and so move closer to being ready for employment.

16. The recommendations we will take forward include:

- placing people awaiting chemotherapy in the support group;
- greater recognition of fluctuating conditions within the assessment itself;
- expanding the support group to cover people with certain communication problems and severe disability due to mental health conditions;
- making the language of the assessment clearer and the process simplified, to support fair and consistent application; and
- ensuring appropriate account is taken of an individual's adaptation to their condition or disability.

17. By better accounting for someone's adaptation to their condition, we will be able to more accurately assess their capability for work, and thereby ensure the right support is in place for everyone: the central theme of this paper.

Bridget's story

Bridget is a 28 year old woman who is deaf, able to lip read, uses sign language, is computer literate and able to use additional aids to live independently and has worked up to 6 months ago. Her true capability reflects she has been able to adapt to her condition and communicate by alternative means; so following the changes to the Work Capability Assessment, Bridget would now be found fit for work. She would then be able to apply for Jobseekers Allowance and receive appropriate support back to work.

Closing old style incapacity benefits

18. From October 2010, we will begin reassessing all customers receiving Incapacity Benefit or Income Support on the grounds of disability to move them via the Work Capability Assessment onto our new welfare regime. Some people will be found capable of work and may access the support of jobseekers regime, others will be migrated to Employment and Support Allowance. We aim to complete this by the spring of 2014.
19. Through this programme we will reassess around 1.5 million people, or about 10,000 people per week in addition to handling new claims. This is a challenging timescale, but we believe it is important that we provide customers with employment support as quickly as possible and, in line with our principles to provide the greatest financial support to those who need it most, that we do not delay providing extra financial support for severely disabled people placed in the Support Group.
20. We recognise the scale of this task. To ensure that we get this right, we will be using around 1,000 additional Jobcentre Plus staff and hundreds of additional medical practitioners. We will trial the processes, starting in October to ensure that they are working effectively, building up to full scale migration activity by spring of 2011.
21. The Department has been working with the provider, Atos Healthcare, to develop, pilot and implement a range of initiatives that will increase capacity and strengthen training sufficiently to deliver migration. These include developing new training to strengthen assessors' understanding of different conditions as well as process changes to enhance efficiency and a series of measures taken by Atos Healthcare to enhance their recruitment and retention policies.
22. The scale and complexity of the migration exercise means it would not have been practicable to migrate all customers at the same time. We have therefore designed the order of migration in the fairest way possible; the timing in each case will be determined by the review date for the medical assessment that the customer currently has to undergo in connection with their claim for incapacity benefits. This date is set according to the medical practitioner's prognosis of when a condition may have changed.
23. Significant work is in progress to support individuals through each stage of the customer journey. We have consulted widely with customers on the migration process - directly via focus groups and research and also via representative groups. We have discussed both their preferred methods and the content of key communications with them, taking into account the widely differing needs of this diverse and complex customer group. We have also given an undertaking that the letters, leaflets and other products to explain the change will be discussed with representative and stakeholder groups before they are finalised.

¹³ www.dwp.gov.uk/publications/policy-publications/

24. We recognise that migration will be a challenging transition for some customers. So we are taking steps to minimise any anxieties that people may have. Jobcentre Plus has designed additional support so that customers will be supported throughout the transition. Extra phone calls to the customer have been built in to the customer journey to help ensure that they understand where they are in the migration process at every stage, what happens next, what their choices are at each stage and what it will mean for them. This contact process has been designed to help Jobcentre Plus staff to identify vulnerable customers early on in order to provide them with appropriate support. Atos Healthcare will also make home visits to carry out assessments should customers be unable to attend the Medical Examination Centre.

Conclusion

25. These changes will ensure the Work Capability Assessment is as accurate as possible so that customers receive the right support. Our ambitious programme to reassess people on old style incapacity benefits will ensure no one is written off, and will mean those who can benefit will get extra help to work.
26. In the next chapter we discuss how we can ensure that the support we provide for people who are not yet able to work is personalised to the individual.

Chapter 3: Supporting people on Employment and Support Allowance

Summary

We are redesigning the support we give people on Employment and Support Allowance. All customers able to prepare for work will have more personalised support alongside more personalised responsibilities – a ‘something for something’ approach.

Each Employment and Support Allowance claimant will get a personalised timetable to be reassessed as a condition of receiving benefit, alongside a personalised regime of support and requirements to take up that support. This means that most people will be expected to move off the benefit within two years as they recover or find work.

People in the Work Related Activity Group can expect a more personalised conditionality regime coupled with more flexible support. Everyone will receive a core level of support to suit their needs and where extra needs are identified, customers will be able to access extra support to help them towards work.

Some claimants may need intensive help quickly, others might benefit from a period to recover from treatment or illness before activity begins. Advisers will be able to offer a range of personalised support, including access to the Future Jobs Fund in areas of high worklessness.

People with severe levels of disability or illness are placed in the Support Group, which provides additional financial support without requiring engagement in back-to-work activity. It is right that the most vulnerable people receive this additional support, and also that people in this group who want back to work support can still access any of the support we provide for Employment and Support Allowance customers

We are piloting radical new models to find the best way of delivering support to our customers. These will include testing more personalised support, greater flexibility for Jobcentre Plus and new funding models with private and voluntary providers. We believe that all of these approaches represent exciting opportunities to improve the way that services are delivered to our customers and, if our evaluation proves them to be successful, we would look to roll out the key elements of each as quickly as practical.

1. In chapter 2 we explained how the introduction of the Work Capability Assessment means our customers on Employment and Support Allowance are changing. Many customers claiming Employment and Support Allowance will not be ready to return to work in the short term because of their health condition or disability.

Pathways to Work

2. Currently people on health-related benefits get support through Pathways to Work. Pathways was launched in 2003 and was one of the first real, large scale attempts to provide employment support for people on incapacity benefits, and has provided strongly welcomed support for many claimants to manage their health conditions and to get back to work.
3. The current Pathways scheme was designed before the introduction of the Employment and Support Allowance and the Work Capability Assessment. It involves similar interview regimes for customers with very different health conditions and needs. Pathways has delivered important support that many people have welcomed to keep them in touch with the labour market. However, on the basis of detailed analysis we do not believe that it is sufficiently cost effective at helping people back to work.
4. We need to use our budgets as effectively as possible to help people back to work if they are able to, and to help those currently unable to work to stay close to the labour market to improve their chances of working in future.
5. Therefore we are developing new support – both for those who move on to Employment and Support Allowance, and for those who move onto Jobseekers Allowance too. The new programmes will build on the lessons of Pathways, but will provide people with more personalised support and conditions to help them move back towards work.
6. We are determined that no-one should be left behind, so our new Guarantees will ensure that people can access intensive support to prevent long term benefit dependency. Chapters 4 and 5 discuss support for people on Jobseekers Allowance and the Guarantees in more detail. The rest of this chapter explains our plans for supporting Employment and Support Allowance customers back to work.

Helping Employment and Support Allowance customers back to work

7. For Employment and Support Allowance customers we believe that the core principles that underpin Pathways are correct and our discussions with Jobcentre Plus and private and voluntary provider advisers, customers and disability organisations corroborate this. However the current framework involves six interviews over a six month period, which is a relatively prescriptive regime and does not fully reflect the wide variety of conditions that customers face. For

example some people may benefit immediately from regular support, but others may need a period to recover from an operation or serious condition, or may benefit from more intensive bursts of help or more flexible support.

8. In other programmes and in pilots we are moving towards a more personalised and flexible approach which responds to every individual's personal circumstances, and we are now looking at how we can do the same for disabled people.

"I think she was in tune with the fact that I wasn't very well, I was depressed, but she [the adviser] was still trying to help without being pushy"

"I was just being passed along the line and I just didn't feel any kind of, I didn't feel that the person I was talking to wanted to help me...it was just like going through the motions"

Customers' different experiences of Pathways to Work

In Hudson.M, et al., (2009), *People with mental health conditions and Pathways to Work*, RR 593

Personalising conditions

9. The introduction of the Work Capability Assessment alongside Employment and Support Allowance has changed the way we think about supporting people who are further away from the labour market. This is because the Work Capability Assessment considers when an individual might, with the right help, be expected to be in a position to do some work.
10. Each new Employment and Support Allowance claimant will get a personalised timetable to be reassessed as a condition of receiving benefit, alongside a regime of support and requirements to take up that support. This means that most people will be expected to move off the benefit within two years as they recover or find work.

Personalising support

11. Every customer who joins the work related activity group (including those who have moved from incapacity benefits) will attend a detailed discussion with an adviser. At this meeting they will draw up a personal action plan, based around their own needs and circumstances, and based on the length of time they are expected to stay on Employment and Support Allowance.
12. To inform that personal action plan, customers and advisers will have access to the results of a revised work focussed health-related assessment and a basic skills screen, with referral to a skills health check where appropriate. Advisers will also be able to assess other characteristics that may have a bearing on people's prospects of getting back to work, such as motivation.

13. This discussion will normally take place between three and four months into a claim, once the Work Capability Assessment result is known.
14. Our aim is to provide more personalised support and give greater autonomy to advisers to find the right support package that meets the customer's needs. So the personal action plan will form the starting point for a personalised series of interviews for the customer. This regime will be determined by the adviser in discussion with customer so that it is tailored to the customer's needs and aspirations.
15. We recognise that for some people it will be better for them to focus on their treatment or recover from a health condition first, while others may require more intensive support near the start of their claim. So the regime will be based on a core level of support for all customers that will enable them to stay in touch with the labour market. Where extra needs are identified, customers will be able to access extra support to help them towards work.
16. As in the Pathways programme, customers will also be able to access a range of support, in addition to mandatory interviews, aimed at helping them to progress closer to the workplace. These will include support to manage health in work (this is discussed in Chapter 4); work related support; and skills support.
17. It will be important that the adviser and customer agree what support is right for that person. However to help advisers decide what is appropriate, they will use the assessment tools in the first work focussed interview to determine whether a customer needs support in a particular area.

Work Choice

18. It is crucial that we do not write anyone off. People with severe and complex disabilities who want to work will be able to access specialist support, including supported employment, through Work Choice from October 2010. Eligibility for Work Choice is not tied to receipt of a particular benefit – Employment and Support Allowance and Jobseekers Allowance customers are already able to join Work Choice at any point in a benefit claim, if this is appropriate for them.
19. For customers who remain on Employment and Support Allowance for more than two years and want to work we will provide a guaranteed place on Work Choice. We discuss this in more detail in chapter 5.

Access to Work

20. Once a disabled person has an offer of a job, or in some cases an interview, they can still obtain support to help with any adjustments or assistance they may require. This in-work support is provided through Access to Work. The type of support will vary, depending on what help someone needs to take and maintain their job – it can include specialist equipment, help with travel or communications support such as interpreters.

21. In recognition of the valuable support Access to Work provides to many people, we are sharply increasing its funding, and are focussing it more carefully to help more people with mental health conditions and learning disabilities, as well as people working in small and medium sized companies. We discuss this in more detail in chapter 6.

Work related support

22. Many Employment and Support Allowance customers, and particularly those migrating from incapacity benefits, will have been away from the labour market for some time. Others, because of their condition, may need to consider different types of work. We therefore believe that where appropriate, we should support customers to understand their employment options and gain relevant experience and confidence to facilitate a return to work.

23. Evidence backs this up. The New Deal for Disabled People, which has delivered work-related support to incapacity benefit and Employment and Support Allowance customers, has had an employment impact¹⁴. There is also international evidence to suggest that group support can help to improve self-efficacy in job search, and ultimately lead to increased employment outcomes.¹⁵

24. Our discussions with customers and other stakeholders suggest that the following types of work-related support are the most valued:

- personalised help with careers guidance, job search and interview preparation;
- support to increase confidence and motivation;
- self-employment support; and
- support to access work experience, volunteering, permitted work and work trials.

25. In developing this support we will draw on the views of our customers and stakeholders, the experience of existing welfare to work providers, and our learning from Pathways and New Deal for Disabled People. We will also ensure that the views of local partnerships are fed into the design and procurement of provision, so that it meets local needs, and aligns with existing community provision.

26. In addition, customers will be able to access a range of existing Jobcentre Plus support, such as Disability Employment Advisers and Work Psychologists, where this is appropriate.

¹⁴ This impact was realised for those who registered on NDDP between July 2001 and Dec 2002. Orr, Larry L.; Bell, Stephen H. and Lam, K. (2007), *Long-term Impacts of the New Deal for Disabled People*, DWP Research Report, RR 432

¹⁵ A Literature Review of Self-Efficacy and Effective Jobsearch. Booth, D and James, R. Journal of occupational psychology, employment and disability, Vol 10, No 1, Spring 2008

Skills support

27. We know that the employment rate of disabled people without qualifications is around 17 percent compared to 60 percent¹⁶ of disabled people with qualifications. Latest research also shows that at least 34 percent of incapacity benefit customers have no formal qualifications at all.¹⁷ We want to ensure that everyone on Employment and Support Allowance can access skills support that can help them on their journey to work.
28. In England, where an adviser recognises a potential skills need, a customer will be referred to the new adult advancement and careers service, due to be launched in August 2010, for in depth support and guidance. This will be an opportunity for a customer to ascertain and discuss their skills needs and identify ways to gain those skills. We will ensure there is effective communication between advisers and the adult advancement and careers service to best help the customer.
29. Any customer who does not have a level two qualification (equivalent to 5 A*-C GCSEs), can access fully funded training at their local college. Young people aged 19-25 can also access training to achieve a level 3 qualification (equivalent to 2 A-levels) if they do not already have one. In addition, people can access fully funded literacy and numeracy provision. This will help to address the basic skills gap experienced by a significant proportion of incapacity benefits and Employment and Support Allowance customers.
30. For customers in Scotland and Wales there is similar provision. In Scotland, all customers have access to Training for Work, a vocational training programme for those who are out of work and to the all-age careers service provided by Skills Development Scotland. In Wales, Skillbuild provides appropriate skills training to eligible customers and Careers Wales provides an all-age careers advice and guidance service.

Making Work Pay

31. Our customers need to be confident that they will be better off in work than on benefits. Currently Employment and Support Allowance and incapacity benefits customers who move into work for 16 hours or more and earn less than £15,000 are eligible for Return To Work Credit of £40 a week, for up to a year. Return To Work Credit was designed to provide an easily understood incentive that is simple to apply for and is paid promptly. Since its inception it has provided in-work support to over 100,000 customers¹⁸.

¹⁶ Labour Force Survey 2009 Q4

¹⁷ Research Report No 627: Pathways to Work: The experiences of new and repeat customers in Jobcentre Plus expansion areas (February 2010)

¹⁸ Jobcentre Plus and Provider-led Pathways Evaluation Databases

32. In the White Paper *Building Britain's Recovery: Achieving Full Employment*, we set out our plans to introduce a better off guarantee so that everyone out of work for six months will be at least £40 per week better off in work.
33. In the 2010 Budget we set out a further step to ensure that the real gains of work are apparent to those thinking about taking up a job. We will move people from Employment and Support Allowance through the 'disadvantage test' of the disability element of working tax credits (worth up to £48.50 a week) so that they automatically qualify for this element.
34. As well as providing a clearer journey back to work for our customers, this change will make the claims process simpler and easier to administer. We will now consider whether there are changes that could be made to Return to Work Credit to further simplify our package of in work incentives and ensure that we continue to deliver value for money for the tax payer, as well as reassurance to customers that they will be better off in work.

Delivering our plans

35. We are committed to delivering services in the most cost effective way, using the different strengths that the public, private and voluntary sectors bring.
36. We will engage with welfare to work providers and other partners in the coming months to discuss how they can best contribute to the delivery of the revised programme. As now, we expect that it will be delivered using a combination of Jobcentre Plus and private, public and voluntary providers. The exact future delivery model may differ from the current model but we want to use the best bits of what we currently have, including payment by results. We will therefore explore with providers what kind of contracts could deliver the more flexible and personalised programme including 'black box' contracting along the lines of the Flexible New Deal, as well as the role that Jobcentre Plus should play in the new system.
37. We expect to be able to implement the new programme for Employment and Support Allowance customers from April 2011. Where existing contracts expire before this, we will discuss with providers how best to ensure that customers continue to have access to adviser support.
38. In the run up to April 2011, we continue to work on improving the current performance of Pathways to Work. Where performance falls below our expectations we will proactively intervene and, where necessary, take breach action that could potentially lead to withdrawal of contracts.

Testing new and innovative approaches

39. As we design a new model of support for people on Employment and Support Allowance, we will test innovative new approaches to find out how best to help this group. These approaches build on the learning and evidence of Pathways, and take account of the changes brought about by the Work Capability

Assessment, and the increasing numbers of customers who may claim Employment and Support Allowance following their reassessment.

40. We want to provide the right support in the right way to best help people back to work. In doing so we recognise that there are a number of different ways this can be achieved. All sectors – private, public and voluntary - have an active role to play in the delivery of effective welfare to work policies. Private providers can be incentivised to improve performance through payment by results, and can add investment, the voluntary sector adds crucial specialist knowledge and the public sector excels in delivering core functions such as the Jobseekers' regime, continuity of support for customers moving between benefits and through integrating contracted provision with wider public services.
41. These approaches draw on the skills of providers, Jobcentre Plus and other local partners and will help to build our evidence base on what works with this customer group. We believe that these approaches represent exciting opportunities to improve the way that services are delivered to our customers and, if our evaluation proves them to be successful, we would look to roll out the key elements of each as quickly as practical.

42. So in particular, we will test:

Asking providers to support customers based on their individual need rather than the benefit they are on, underpinned by a payment model that rewards them for working with those further from, as well as those closer to, work.

43. The Personalised Employment Programme pilots will run from March 2011 until March 2015 in three areas: Hampshire and the Isle of Wight; the Thames Valley; and Barnet, Enfield and Haringey. Providers will be contracted to provide support to customers from a number of benefit groups, including Jobseekers Allowance, Employment and Support Allowance and, on a voluntary basis, lone parents with younger children. They will be required to deliver a minimum conditionality regime for all customers, and beyond this, any further support they think is necessary to help customers find work. The pilots will also test giving advisers the power to require Employment and Support Allowance customers to undertake some activity to support progression toward employment where this will be beneficial.
44. Providers will be paid according to an accelerator model where the higher the proportion of customers supported into work, the higher the payments they receive. This innovative approach seeks to incentivise providers to provide whatever support a customer needs, regardless of benefit label, and minimise 'parking' so that all customers get the right support.

Giving Jobcentre Plus greater flexibility and discretion over the support they provide to customers across benefit groups.

45. The Jobcentre Plus flexibility pilots will run from April 2010 in 4 Jobcentre Plus districts: Greater Manchester (central); Glasgow; Gloucestershire, Wiltshire and Swindon; and south west Wales. We will give district managers greater flexibility and discretion in allocating employment support across benefit groups. Working

with local partners, they will be able to provide tailored support to help customers find work, with a focus on better and more sustained outcomes for all customers, including those from disadvantaged groups.

Invest to Save: Giving providers greater flexibility and asking them to take on additional risk in return for potentially greater rewards

46. The Invest to Save pathfinders will run from March 2011 until March 2015 in 5 areas: Glasgow; the West Midlands; Greater Manchester; Norfolk; and Lambeth, Southwark and Wandsworth. Providers will have almost total flexibility to deliver the support they think is necessary to help long-term customers find work. This will include giving advisers the power to require customers to undertake some activity to support progression toward employment, where this will be beneficial.
47. Contracts will be entirely outcome funded, paid for using the savings to the Employment and Support Allowance benefits bill achieved when a customer moves into work. These pilots will test the innovative 'AME/DEL' switch, which gives the Government the chance to transfer the risk that customers won't get into work to the provider, in return for much higher rewards if they are successful.
48. We believe these approaches have significant potential. But we do not believe it would be right to move straight to national implementation. Each of the pilots include untested, innovative approaches, and for the provider models represent significant investments of taxpayers' money – in the case of the AME/DEL switch the pilots will involve us managing several billion pounds of expenditure in a new way. They also involved higher levels of risk for private providers – something we need to test will be sustainable for both the providers and the government, so that the state doesn't have to step in as provider of last resort. Given the complexity of the contracts and with potentially very large sums of public money at stake, we consider it is vital to pilot these to protect the public finances and public service delivery.
49. These three pilots will be evaluated to inform our understanding of the effectiveness of these different delivery options and will inform our moves towards providing personalised employment support that is not dependent on the benefits a person receives.

Conclusion

50. These reforms will ensure that customers on Employment and Support Allowance will have access to more personalised support to prepare for work. The national programme will also deliver better value for money for the tax payer, whilst we test innovative new approaches to expand our knowledge of how best to help this group and inform our future delivery plans.
51. In the next chapter we discuss the extra support we will provide for people who are fit for work but may face challenges whilst on Jobseekers Allowance due to a disability or health condition.

Chapter 4: Extra support for people who are fit for work

Summary

For people who are fit for work but still managing a health condition or disability we will provide new health-related support.

This will be available to people regardless of whether they are claiming Jobseekers Allowance or Employment and Support Allowance – it will include a new programme to help people manage their health condition in the workplace, developed with the NHS.

The skills of advisers are crucial. We are providing new training packages so that they are best equipped to help disabled people or people with health conditions and can call on expert support when they require it.

As those on incapacity benefits are reassessed according to what they can do, some will be found fit for work. This move may, for some customers, be a time of uncertainty. To allay people's anxieties, we will engage with each customer before their Work Capability Assessment, so that they have a clear understanding of what they can expect.

Those who become jobseekers will be able to access additional help, in addition to the support already available through Jobseekers Allowance. This includes:

- Additional time to work with an adviser early in their claim;
- New specialist back to work support through tailored modules delivered through the Jobcentre Plus Support Contract;
- A health/work assessment and provision to help manage their condition in work;
- Immediate access to additional support that jobseekers are usually able to access from the six month point of a claim; including work trials, training and volunteering programmes to build up their work experience; and
- For those moving from incapacity benefits, additional early access to the intensive personal adviser support, Flexible New Deal and the Future Jobs Fund.

More personalised health-related support

1. For many disabled people or people with a health condition who are not in work, managing their illness or impairment may be a major challenge to returning to work.
2. Through Pathways to Work, we provide health-related support for customers on Employment and Support Allowance and incapacity benefits. This is known as the Condition Management Programme. It is delivered as part of Pathways contracts in provider-led Pathways districts, and in partnership between Jobcentre Plus and the NHS in Jobcentre Plus-led Pathways districts. Our review has found that this support is popular with many customers and staff, and does improve customers' self-reported health and work-readiness.

“what helped was getting back out and talking to people and socialising and learning that other people suffer the same sort of stress and anxieties that you do. It gave me some hope that maybe I might get back-to-work at some point”

A customer's view of Condition Management Programme

In Warrener M. et al., (2009), *A qualitative study of the customer views and experiences of the Condition Management Programme in Jobcentre Plus Pathways to Work* RR 582

3. Everyone receives universal health care from the NHS. But we recognise that some people who are out of work may require extra help to manage their health condition in work, whether they are on Jobseekers Allowance and ready to make the step into employment, or are on Employment and Support Allowance and progressing towards work. The level and nature of support required is likely to vary depending on an individual's circumstances, so health-related support must be flexible, personalised and targeted effectively. Following discussions with customers, staff and disability organisations we also believe that it also needs to be more strongly work-focused.
4. We plan to deliver new health-related support to help people return to work that can be accessed on a voluntary basis by people with a disability or health condition, whether they are on Jobseekers Allowance or Employment and Support Allowance.
5. We plan to deliver this through a partnership agreement with the NHS in England, building on the strong partnership between the NHS and Jobcentre Plus that has been developed through the delivery of Condition Management Programmes and the work carried out by the NHS to improve health and well being, and to ensure that work is part of a healthy lifestyle. Local partnership agreements between districts and Primary Care Trusts will also be drawn up, taking account of the particular needs of the local area.
6. This will enable us to draw on the expertise of existing Condition Management Programme practitioners, and ensure that strong links with a range of health professionals and services, and initiatives like Improving Access to Psychological

Therapy and Individual Placement and Support, as well as more general primary care services, underpin the support we offer. We will work with the Scottish Government and Welsh Assembly Governments to agree an appropriate delivery model for the programme in the devolved administrations.

7. It is also important that this health-related support adds to the work we are undertaking to better join up health and employment services, as part of the Government's Response to Dame Carol Black's Review¹⁹ and the Perkins review²⁰. These include initiatives such as the mental health coordinators in Jobcentre Plus, a cross-Government sponsored Fit for Work Service pilots and the new statement of fitness for work, which replaces the old 'sicknote'.
8. The nature of the support provided will depend on the needs of the individual. For some customers it will involve the provision of practical written or telephone advice, and for others, referral to health or voluntary services available within the community. Those with the greatest need will be able to access individual or group support modules aimed at managing specific conditions to enable a return to work, building on learning from Condition Management Programmes.
9. We also want to ensure that advisers and customers are better able to identify the level and type of support an individual needs to manage their health to enable a return to work. This is currently available to customers on Employment and Support Allowance through a Work Focused Health-Related Assessment. We want to ensure all customers, regardless of whether they claim Jobseekers Allowance or Employment and Support Allowance have access to such an assessment. For some such an assessment could point them in the direction of Access to Work to help them with adjustments or adaptations they may need in the workplace.
10. To do this, we will be reviewing the current Work Focused Health-Related Assessment arrangements for Employment and Support Allowance customers so that the assessment is more work focused and flexible to the needs of the customer. This will include better training for the healthcare professionals undertaking the assessment and piloting the use of a telephone assessment because we know these have been effective in a wide variety of healthcare assessment scenarios. For Jobseekers Allowance customers we will develop similar provision so that customers and advisers can better understand the impact of the health condition, and help identify the support that might help in the management of it, to enable a return to work.

¹⁹ Black, C. (2008). *Working for a healthier tomorrow: Review of the health of Britain's working-age population*. TSO

²⁰ Perkins, R et al. (2009). *Realising Ambitions: better employment support for people with mental health conditions*. TSO

More personalised adviser support

11. Jobcentre Plus advisers are central to delivering welfare to work services. The relationships they build with customers and other local service providers are often what makes the difference in helping people get work. We want to ensure that our advisers are best equipped to provide the kind of specialised support which we recognise many of our customers will need, particularly those who have been out of the labour market for a long time.
12. We are increasing the expert support that we provide our advisers through in-house experts and by drawing on knowledge from other key organisations. Jobcentre Plus advisers can get expert support from Disability Employment Advisers, who are on hand to help with individual cases or spreading particular knowledge and skills.
13. Increasingly we want to ensure Jobcentres are linking up and draw on the expertise of NHS and other local service providers and groups with experience of working with disabled people and those with health conditions. For example, we have tasked Mental Health Coordinators to develop effective local networks with the NHS and other service providers across each Jobcentre Plus district.
14. We are also introducing a new personalised learning and development plan for advisers, so that they are better equipped to help disabled people or people with a health condition. This package will include professional accreditation, enabling some advisers to specialise in providing expert support to this group. This is in line with specialisation elsewhere in Jobcentre Plus where for example, we have announced the creation of teams of specialist advisers to work with young people.
15. Our aim is to ensure that whatever benefit they are on, disabled people and those with health conditions are seen by trained and skilled advisers and can access a wide range of support appropriate to their needs.

Challenges faced by incapacity benefits claimants

16. Many people currently claiming incapacity benefits may have different support needs than new claimants of Employment and Support Allowance or Jobseekers Allowance.
17. Some claimants of incapacity benefits have been out of the labour market for a significant period of time. There will be a variety of reasons for this – long term, significant health condition or disability being the most obvious, but loss of confidence, motivation, and, as a result, potentially increasingly poor mental health – may be another, as may scarring from previous recessions and long term worklessness as a result of industrial decline in particular localities.
18. Nearly two thirds of people on incapacity benefits are over 45²¹ and around one third live alone²², which for some may lead to social isolation, exacerbating the

²¹ Work and Pensions Longitudinal Study, May 2009

²² Family Resources Survey 2007/08

harmful effects that being out of work can have. Some of these people may face multiple challenges to getting back to work.

19. The other side of this coin is that there are hundreds of thousands of incapacity benefits recipients who have long work histories, high skills and education levels and whose potential contribution to society is being wasted whilst they remain on an inactive benefit without access to additional support.
20. As a result of the Work Capability Assessment, some people will be found fit for work and will claim Jobseekers Allowance, so it is vital that we provide the right support to help people through the transition.
21. For some, the transition from incapacity benefits may be a time of uncertainty and perhaps anxiety, so it is important we support people through this process. We will be starting the migration process in October 2010, and we will engage with each customer before their Work Capability Assessment, so that they have a clear understanding of what we will be expecting of them and crucially what support will be available to them to help them through this change.
22. Our engagement with customers and disability organisations has highlighted the importance of providing help for those who will move to Jobseekers Allowance. So we will offer all customers who have previously been on health-related benefits additional time with an adviser. This will provide an opportunity to find out about the support that is available to them, help allay any concerns and smooth the transition to Jobseekers Allowance.

Support for jobseekers

23. For a decade Jobseekers Allowance and the New Deals have been successful in getting people into work through mandatory employment support for unemployed people. However, as new evidence has emerged, and as circumstances change, we have been reforming our support so it keeps pace with a changing labour market and the effects of the recession.
24. The changes to the Jobseekers Allowance customer journey, and the introduction of the Flexible New Deal between 2009 and 2010, have been designed to respond to individuals' needs, rather than to deliver a 'one size fits all' service. The new customer journey is responding to different people's needs, including people with health conditions – and this is supported by our early evaluation²³. However, we can still do more.

²³ DWP Research Report No 624 Jobseekers Regime and Flexible New Deal, the Six Month Offer and Support for the Newly Unemployed evaluations; An early process study

Extra help with job search and skills

25. There is already a wide range of support available to all customers who claim Jobseekers Allowance. We will build on this core offer, to develop extra support for disabled people or people with a health condition that will be available from the first day of a claim.
26. We will develop new specialist back-to-work support for customers who had previously been claiming health-related benefits. This will include providing group sessions to help with job search, interview skills and confidence building. Customers will have access to additional one to one support with advisers but evidence shows that many customers value the peer support group sessions provide.
27. In *Building Britain's Recovery: Achieving Full Employment* we set out our plans for improving skills support for people. This included the launch of the single skills purse. Through this approach we will develop a new training offer that better helps unemployed people in England to gain the skills they need to get a job they can progress in. Our aim is to design training that is tailored to the individual and relevant to the local labour market and employers. This new approach will enable customers who have been out of work for a long time because of their health to have the skills help they need to get a job.
28. There are other ways that individuals can gain skills and confidence in the world of work. Increasingly employers are looking positively at work skills gained through volunteering. There are few limits on the amount or type of volunteering that people on Jobseekers Allowance can do. Jobcentre Plus has good local links with many voluntary organisations. Advisers will explain the benefits of volunteering and provide information about local volunteering opportunities, signposting local contacts and supporting customers who want to develop their skills in this way.

Providing support earlier in the claim

29. Most jobseekers leave Jobseekers Allowance quickly but for those who reach the six month point of their claim, the range of support available increases. For customers moving from health-related benefits to Jobseekers Allowance we will allow them to have access to this additional support from the first day of their claim. This will enable people who want access to extra support earlier in their claim to have it when they need it.
30. Support will also include access to Local Employment Partnership vacancies which can offer pre-employment training and Work Trials which provide opportunities to demonstrate their suitability to an employer.

Local Employment Partnerships

Local Employment Partnerships offer a comprehensive, responsive and professional Jobcentre Plus recruitment service to employers who are ready to make their jobs more accessible to Jobcentre Plus customers. The Government ensures that customers, including disabled customers, who are disadvantaged in the labour market, receive any necessary preparation and support to enable them to meet employers' needs and expectations. And employers with vacancies give customers a fair shot at the job, for example through guaranteed interviews, adjusted recruitment practices, work placements or mentoring. Also, through Local Employment Partnerships, employers can access pre-employment training and in-work training.

More structured support

31. We believe there are some people who would benefit from a more structured framework of support and earlier access to the more intensive and specialist support provided through the Flexible New Deal programme.
32. So we will allow people moving from incapacity benefits to have earlier access to more intensive support of the jobseekers regime. This will involve more intensive and regular adviser support, a clear back-to-work action plan and greater provision of work-related activity. If after six months the customer hasn't found work they will be referred to a Flexible New Deal provider.
33. In return for the additional help, we expect the customer to actively engage with the support that is on offer and this will be made clear before they start. While this will be a valuable option for some people, we recognise that it will not be suitable for everyone.

Help for customers who have not previously claimed health-related benefits

34. There are some customers who will not have claimed a health-related benefit but who have developed a health condition or disability while on Jobseekers Allowance. We will ensure these customers are provided with a range of options and can make the right choice to help them back to work .
35. Where the health condition or disability has a potential impact on looking for work, advisers will have the flexibility to refer customers to the additional specialist back-to-work support and health-related provision we are putting in place, where it is agreed that this is the most helpful course of action.

Paul's story

Paul applies for Employment and Support Allowance because he has a recurring and now worsening back problem from years working in the construction industry. He attends his Work Capability Assessment and while he still has some back problems is found fit for work. He still needs financial help so he claims Jobseekers Allowance. Paul doesn't think he's able to do the job he did previously and has some doubts about his ability to work at all because of his health.

After the first interview to set up his claim to Jobseekers Allowance he takes up the chance of having a further meeting with an adviser. They discuss a number of options and in addition to his Jobseekers Agreement he agrees an action plan with his adviser focusing on motivation, re-skilling and managing his condition. Within a few weeks he attends a specialist motivational group session where he receives advice and support on developing his CV, job search and interview skills. Paul also receives support on how to manage his back pain in work.

Paul sees a vacancy in the planning section of the offices of a local building company - he knows the business and thinks he can do the job. By using the better off calculator it's clear that he and his family would be better off in this job than being on benefits. But he remains concerned that he won't be able to manage. So his adviser arranges a work trial with the employer for a couple of weeks. This gives Paul the opportunity to see how he gets on while remaining on Jobseekers Allowance. It goes well and Paul is taken on by the employer.

Support for older claimants

36. Nearly two thirds of those migrating from incapacity benefits will be over the age of 45. Some of these individuals will claim Jobseekers Allowance, and we know that for some older people there are additional age related needs that can affect their success in finding or staying in certain types of work. Potential issues include:

- skills and qualifications are more likely to be out of date and mis-matched with the skills required in modern industries;
- older workers may experience discrimination by employers and recruitment agencies because they are considered too old; and
- they may have climbed up the salary scale in previous employment and on re-entering the labour market may find their salary does not match previous expectations.

37. In *Building Britain's Recovery: achieving full employment* we announced a number of new measures for people claiming Jobseekers Allowance who are over 50. These measures include improved training for Jobcentre Plus advisers to help them address age related issues, more time for advisers to focus on these issues with customers and specialist contracted support to equip older customers with the confidence and skills to find and secure work. There will also be earlier access for older customers who need it, additional support available from six months and early access to Work Trials, which have been shown to be particularly effective in helping older workers secure jobs.
38. In the Budget 2010 we announced an extra £10 million to extend eligibility for working tax credit for the over-60s from April this year.

Conclusion

39. Many people may be fit to do some jobs, but are still managing a health condition or disability. The support we have outlined in this chapter will help people with any health challenges they face and enable them to get back to work faster.
40. In the next chapter we examine how we can provide additional help for people who have not been able to find a job for a considerable period, despite engaging with our programmes.

Chapter 5: Preventing long-term worklessness

Summary

In the last ten years, the Government has widened the right to back-to-work support and deepened the responsibilities on people to take up this support.

Most people are doing the right thing and taking their responsibilities to get work or take up training seriously. But a small number may still find it hard to get a job after a long time, despite engaging with support.

Where people have met the conditions and worked hard to get a job we believe it is wrong to leave them to a life on benefit.

For people on Jobseekers Allowance who have not been helped by Flexible New Deal, we will put in place a new Guarantee of a job or work experience. This will provide more intensive support for the small number of people who do not get a job after two years on Jobseekers Allowance.

The guarantee will be for a job or work experience it will include jobs through the Future Jobs Fund, internships through the private sector, volunteering opportunities and work experience.

If after three months, participants have not chosen to take up the offer, then we will require them to undertake work experience for 13 weeks on a mandatory basis.

Those with severe and complex disabilities who want to work should also be given guaranteed opportunities too – though only on a voluntary basis. For customers who remain on Employment and Support Allowance for more than two years and want to work we will provide a guarantee of a place on Work Choice, our specialist disability programme which supports customers to find supported and unsupported work.

1. In the last ten years, the Government has widened the support available to help people back to work and deepened the obligations on people to take up this support.
2. Most people are doing the right thing and taking their responsibilities to get work or taking up training seriously. A small number may not be able to get a job after a long time, despite engaging with support. For these people, the Government should guarantee them work to help them get back on their feet.

A new Guarantee for those claiming Jobseekers Allowance

3. People who are fit for work already get significant support through the jobseekers regime and through the Flexible New Deal. There will be a small number of people who have not found work during the Flexible New Deal. This group will contain some of those facing significant and overlapping challenges to work, including health conditions or disabilities.
4. We do not believe that it is acceptable to write these people off as unemployable, no matter how long they have been out of work, and believe that we should continue to do everything we can to support them into sustained work.
5. So from April 2011 we will put in place a new Jobseekers Guarantee for all those who reach two years on Jobseekers Allowance without finding work.
6. Precise design of the guarantee will be subject to the next Spending review, but we are planning on the basis that the Guarantee will initially involve intensive case worker support delivered by Jobcentre Plus and consisting of regular one-to-one contact with an expert adviser. This will be designed to help the jobseeker address remaining barriers to work and ensure this links in with support available through Local Authorities and other Government agencies.
7. Through this jobseekers will have guaranteed access to:
 - Future Jobs Fund: based on the successful Young Person's Guarantee, this will offer Jobseekers a temporary job in the public sector or voluntary sector paid at national minimum wage; or
 - Internships: offering work experiences of up to 13 weeks in a private company; or
 - Volunteering: we will offer help to source a suitable volunteering opportunity to help people who may not have had recent experience of work get closer to the labour market; or
 - Work experience: a tailored, full time, work experience placement lasting for 13 weeks. This will include additional employment and job search support to ensure that participants have the best chance of entering sustained work.
8. If after three months, participants have not chosen to take up the offer, then we will require them to undertake work experience for 13 weeks on a mandatory basis.

9. We will build in safeguards, as we already do in the Community Task Force, to ensure that work experience can be built around the individual needs of each jobseeker, including those with health conditions or caring responsibilities.

Anita's story

Anita is 46 and has been unemployed for over 2 years, due to suffering from an extreme fear of socialising and a downward spiral of depression. Anita's condition ruled her life and made normal everyday events that other people take for granted very daunting. Combined with other personal problems, she started to spend more and more time alone, draining herself of confidence and general positivity.

Jobcentre Plus put Anita in touch with a local company who, after assessing her needs, arranged a work experience placement at a local company, where she would not have to come into contact with many people.

Anita was supposed to start by doing a few hours a day, but not only did she work full time, she volunteered to do extra shifts and nothing was too much trouble. Anita's efforts were rewarded with the offer of a full time employment by her employer.

10. Through this Guarantee we will ensure that no jobseeker is left behind, and that no matter what barriers to work a person may have, including health conditions or disabilities, everyone has the opportunity to get the work experience that will increase their chances of successfully moving into employment.

Supported employment for the hardest to help

11. Similarly, we recognise that customers with severe and complex disabilities may require more intensive, specialist employment support. Supported employment can help people with the most complex needs attain and sustain work. Historically we have provided this support mainly through the WORKSTEP programme. Customers on this programme will receive help from an organisation that specialises in their specific disability needs, with intensive support in the workplace to learn their job and manage the day-to-day working environment.
12. But we are keen to improve upon the level of service currently provided through WORKSTEP. So from October 2010, we will launch Work Choice, a new programme designed to help disabled people with complex barriers find and keep employment. The new programme will provide disabled people with a flexible service customised to meet their individual needs. Support will include vocational guidance, job search, in work coaching and help with career progression.
13. We believe that disabled people should be given every encouragement to fulfil their potential. Work Choice will place a greater emphasis on movement into unsupported employment, when the time is right, enabling disabled people to

develop further their confidence and skills. It also places emphasis on providers using both the best of established evidence based models (such as Project Search) as well as innovative new approaches to meet the needs of customers.

14. Work Choice contracts include additional funding so that prime providers can undertake stakeholder and partnership work. We actively encourage suppliers to innovate by involving customers, representative organisations and local partners in their delivery models. Our discussions with preferred suppliers will draw out and emphasise the added value of appropriate and effective local stakeholder engagement as a model of best practice, and we will examine this activity as part of the Work Choice implementation process.
15. Eligibility for Work Choice is not tied to receipt of a particular benefit – Employment and Support Allowance and Jobseekers Allowance customers will be able to join Work Choice at any point in a benefit claim if this is appropriate for them.
16. Work Choice will help more people than ever before into supported employment. We now plan to strengthen our support to customers who remain on Employment and Support Allowance for longer than two years. We will provide a guaranteed Work Choice place to all customers reaching two years on Employment and Support Allowance who want it.
17. We will take steps to actively encourage these people to take up the guarantee. We estimate that this will involve an additional 1,700 starts per year to the programme.
18. We expect this to be of particular help to people who have not managed to find sufficient help through other DWP initiatives and may have multiple barriers to employment. This will include people with mental health conditions and learning disabilities to whom Work Choice providers will be providing particular attention. They have been asked to introduce innovative approaches to the way they work with those with the most complex support needs.
19. This guarantee will mean that these customers will be able to benefit from a more intensive period of job search support, customised to their individual needs and lasting up to six months. For some this may lead to the offer of supported or unsupported employment.

Conclusion

20. These new Guarantees deepen our commitment to help everyone achieve their aspiration to work. In the past, people who could not find work were abandoned to a life on benefits. The Guarantees will help us break the cycle of long-term worklessness and ensure no one is left to a life on benefits.

Chapter 6: The role of employers and help in work

Summary

Employers are crucial to our efforts to tackle long-term worklessness. There is a clear business case for employers in employing disabled people or people with health conditions. Increasing numbers of employers are already benefiting from the skills and commitment of disabled workers.

Evidence suggests that most employers understand and are acting on their duties under the Disability Discrimination Act to provide reasonable adjustments to help disabled people in their workplace.

Often these are simple and low cost adjustments that do not require much effort. For example, these may include flexible working hours to help employees cope with a health condition, or bespoke chairs and desks for employees who have a physical disability.

But we are not complacent. We expect all employers to take their duties seriously. In particular, we will be asking for more from larger employers who benefit from our Access to Work programme.

We will be expanding the budget for the Access to Work programme, so it can provide financial assistance to more disabled people and their employers. But we will also be expecting larger employers to contribute more to the cost of adaptations and equipment for the workplace, which we will re-invest to allow us to waive all contributions from the smallest employers.

The role of employers

1. Tackling long-term worklessness requires a partnership between the Government and employers. Our programmes aim to get people into work as quickly as they can. But we cannot do this alone, and employers have a vital role to play in enabling this vision to be achieved.
2. With 2.7 million disabled people in work²⁴ there are already a multitude of employers with an excellent record in employing disabled people or people with a health condition.

An employers perspective: Anne's story

"For ten years I ran my own business providing back office support to a number of retailers. As an employer I took proactive steps to help my workforce. I allowed each employee six days on top of their annual leave to take as 'stress days' or as 'observation days' [where an employee had a day in the office but took a step back from work and reflected or watched how peers were working]. Doing this I got so much more from my staff"

The business case

3. Such examples illustrate the business sense of employing a disabled person or someone with a health condition. Building an enabling environment for every employee and customer, regardless of disability is critical to business success. The Employers Forum on Disability estimate that 1 in 3 people are disabled or close to someone who is²⁵. So disabled people and people with health conditions are a business's customers, employees, stakeholders, partners and competitors.
4. Recruitment of people with more complex disabilities, especially those very far from the labour market, will often require more flexible approaches. To help employers understand the flexibilities available to them, we will work across Government to look to publish guidance setting out good practice in recruiting people with moderate to severe learning disabilities. This advice and guidance will also be of relevance to employers seeking to recruit people with other complex disabilities.

Reasonable adjustments

5. The Disability Discrimination Act introduced enforceable rights for disabled people in the workplace. A key element of this is the requirement on employers to make reasonable adjustments to provisions, criteria, practises or premises where they

²⁴ Labour Force Survey 2009 Q4

²⁵ 'Two out of three UK businesses losing out on £80 billion spending power of disabled customers', 29th October 2009, <http://www.efd.org.uk/media-centre/media-releases/2009/two-out-three-uk-businesses-losing-out-on->

place disabled people at a substantial disadvantage, and to provide disabled people with auxiliary aids and services.

6. Often these are simple and low cost adjustments that do not require much effort. For example, these may include flexible working hours to help employees cope with a health condition, or bespoke chairs and desks for employees who have a physical disability.
7. Many employers recognise the contribution that disabled people can bring to their businesses, and research published in 2007 on the impact of the Disability Discrimination Act shows that a higher proportion of employers (76percent) felt that their workplace had the flexibility to recruit or employ a disabled person than felt this way in 2003²⁶.
8. The Equality Bill currently before Parliament includes provisions to make it an unlawful act for recruiters to ask disability and health questions of job applicants except in prescribed circumstances before the offer of a job, conditional or unconditional, or selection to a pool of successful candidates.
9. Evidence also suggests disabled people are exercising their rights under the employment provisions of the Disability Discrimination Act. Over 6,500 disabled people had their claims accepted by the Employment Tribunal in 2008/09²⁷, and the success rates are very much in line with those for people with other protections.
10. We expect all employers to take their duties seriously. It was revealing that a recent survey for the Ethnic Minority Employment Task Force showed there was strong evidence of discrimination against ethnic minority candidates at the first stage of recruitment by employers. The Task Force are therefore introducing a plan of action to tackle ethnic discrimination in recruitment. While a lot of progress has been made since the introduction of the DDA, we will consider how similar initiatives could help us effectively monitor the impact of the Disability Discrimination Act.

Access to Work

11. Where required adjustments are beyond what is reasonable for the employer, Access to Work can provide financial support for a wide range of adaptations in the workplace.
12. We will be expanding the budget for the Access to Work programme, so that it can provide financial assistance to disabled workers. But we will also be expecting larger employers to contribute more towards the cost of adaptations

²⁶ Simm, C. et al, (2007), Organisations Responses to the Disability Discrimination Act
<http://research.dwp.gov.uk/asd/asd5/rports2007-2008/rrep410.pdf>

²⁷ Employment Tribunal and EAT Statistics April 2008 – March 2009
http://www.employmenttribunals.gov.uk/Documents/Publications/ET_EAT_Stats_0809_FINAL.pdf

and equipment for the workplace, which we will re-invest to allow us to waive all contributions from the smallest employers.

Dennis's story

Dennis is a self-employed trainer who provides training and support to visually impaired customers and employers. Dennis is blind so to help him with his job, Access to Work has funded specialist screen reading software for his computer and a Braille Embosser - a printer which produces documents in Braille form.

The support provided by Access to Work is helping Dennis to run a thriving business.

13. In *Building Britain's Recovery: Achieving Full Employment*, we set out a series of developments to the Access to Work programme, with the aim of focusing the programme on those disabled people with the greatest needs, providing extra help to those who work for smaller employers, and improving value for money.
14. During February we discussed these developments with a wide range of employers, disability organisations and customers who all welcomed them, and confirmed how much they valued the programme. We also asked for views on increasing contributions from larger employers for elements such as adaptations and aids and equipment, which would be re-invested to help those working for smaller employers. Following on from these discussions we will reform the employer contribution structure so that:
 - large employers (with more than 249 employees) will pay the first £1,000 of the cost of relevant elements;
 - medium employers (with 50-249 employees) will pay the first £500 of the cost of relevant elements; and
 - small employers (with 10-49 employees) will pay, as now, the first £300 of the cost of relevant elements.
15. These employers would also be expected to pay, as now, 20percent of the subsequent cost up to £10,000. The very smallest employers (fewer than 10 employees) and self-employed people will however be exempted from making any contribution to costs.
16. This new contribution structure will apply from 1 April 2010 for all new applications.
17. We also set out a number of other other improvements to improve the focus Access to Work on under-represented groups, particularly those with mental health conditions and learning disabilities. These include:
 - enabling customers to have an even more personalised package of support: individual action plans to help them overcome their difficulties, more frequent reviews, and more intensive discussion about building independence;

- offering a 'pre-certificate' to give job seekers confidence they would, in principle, be eligible for Access to Work;
- trialling part funding the cost of temporary cover for workers temporarily unable to work due to mental health or other fluctuating conditions;
- extending support for job coaches; and
- focused marketing, including joint campaigns with mental health, learning disability and ethnic minority-focused charities, so the disabled people who need Access to Work help know it is available.

18. To further these changes, and to increase the employment rates of the most disadvantaged groups, we have announced that from April this year, 2,000 people with learning disabilities and up to 1,500 people with mental health conditions will be guaranteed places on the Access to Work programme.

Conclusion

19. Increasing numbers of employers are already benefiting from the skills and commitment of disabled workers. Access to Work is helping many disabled people and their employers with significant adjustments to the workplace. The changes we have outlined here will ensure a more equitable use of resources so that we can better help smaller employers with greater needs, while expecting more from larger employers.

Chapter 7: Creating opportunities in disconnected areas

Summary

Just as we are clear that individuals will benefit from a more personalised approach, we also recognise that communities have different experiences of worklessness.

During the 1980s and 1990s, recessions and structural unemployment led to whole regions being written off, and the legacy of this can still be seen – for example in the high concentrations of incapacity benefits claimants in areas that relied upon heavy industries in the North East and in parts of South Wales.

Today the action we've taken means the effects of this recession have been spread relatively evenly across the country, with local partnerships playing crucial role in supporting individuals and their employers.

But we must go further to ensure that no place is left behind as we move out of recession and that we continue to narrow the employment gap between deprived areas and the rest of Britain.

We will work in partnership to support the most disadvantaged areas, including through the next steps on Total Place and better aligning regeneration activity delivered by Regional Development Agencies and the Homes and Communities Agency.

The DWP commissioning strategy is increasing the flexibility of contracts so that provision can meet local challenges. We will support local authorities to take more responsibility for delivering provision for those furthest from the labour market, through bidding to deliver contracted provision. We will also review the local authority involvement in welfare to work provision to inform our future delivery strategy.

DWP and the Cabinet Office are working across Government to explore how best practice from our work to effectively manage prime contractor delivery chains can be developed and shared.

1. Just as we are clear that individuals will benefit from a more personalised approach, we also recognise that communities have different experiences of worklessness.
2. During the 1980s and 1990s, recessions and structural unemployment led to whole regions being written off. Worklessness became synonymous with certain places or towns. And these scars are still evident today – for example in the high concentrations of incapacity benefits claimants in certain areas that relied upon heavy industries such as in parts of the North East and South Wales.
3. Today the action we've taken means the effects of this recession have been spread relatively evenly across the country. We are not seeing the extreme claimant rates of previous recessions that some places experienced.
4. Working together, we will continue to build communities, support localities and prevent worklessness so that no place is written off.

Working in partnership to support the most disadvantaged areas

5. When it comes to employment, some places face particular challenges. Through partnership working and initiatives such as Total Place we are supporting areas facing severe and long-standing deprivation to overcome these.
6. Our aim is to build and deepen local partnership arrangements, to ensure services are tailored to meet local needs, reflect local conditions and complement the national services. This work is already showing results; programmes run through Communities and Local Government such as the Working Neighbourhood Fund and the Local Enterprise Growth Initiative have brought opportunities, jobs and business to more deprived areas.
7. We will strengthen the capability and freedom of the regional tier to drive growth and inclusion and better align the regeneration activities of regional agencies. This will ensure the relevant activity delivered by the Regional Development Agencies, with their focus on regeneration through economic growth, and the Homes and Communities Agency is better co-ordinated in areas of severe and long-standing deprivation and helps to tackle long-term worklessness.
8. Outreach services are particularly important to help some of the most disadvantaged people to access services. Jobcentre Plus has been trialling a community outreach initiative in three Districts (Merseyside, South London and South Tyne & Wear Valley) that specifically targets high-density social housing estates and communities with high concentrations of worklessness
9. The success of this work means that from June 2010, we will extend this outreach initiative to 15 Jobcentre Plus areas with high concentrations of long-term worklessness.
10. These initiatives complement activities being taken forward under the Working Neighbourhoods Fund and City Strategy Partnerships. In addition we are working

with the Homes and Communities Agency to identify how we can strengthen joint working and engagement with the social housing sector.

Working in partnership: East Durham

In East Durham, the Jobcentre Plus community outreach team has adopted a “families first” approach, concentrating on workless families and the intergenerational unemployment that is prevalent in some housing estates that were formerly reliant on heavy industries. Working together with the main social housing provider on the estates, the local Family Intervention Project and other partners, the team is holistically tackling barriers that contribute to local entrenched worklessness.

Greater flexibility to create new jobs and new opportunities

11. The employment challenges faced by different places vary so we will enable local agencies to tailor their responses to local needs and circumstances.
12. The Future Jobs Fund aims to create jobs for long-term unemployed young people and others who face significant disadvantage in the labour market. Employment and Support Allowance customers who have been claiming out of work benefits for at least thirty nine weeks can already access Future Jobs Fund jobs in areas where bidders have undertaken to create Future Jobs Fund jobs and where the unemployment rate is at least 1.5 percent higher than the national average.
13. This has been supported by increased funding through the £40m Working Neighbourhoods Fund top-up grant awarded last Autumn.
14. We will go a step further by making the Future Jobs Fund available in areas with high levels of long-term dependency on incapacity benefits, which blights some of the country's most disadvantaged areas. This will ensure that bidders can target areas that have a higher prevalence of long-term worklessness, providing much needed help to people who are furthest away from the labour market, including those with learning disabilities and severe mental health conditions.

The Future Jobs Fund in action: Barnsley Council

In previous recessions, Barnsley suffered significantly, with steep rises in inactivity and a as has a consequence a legacy of long-term worklessness.

So it was fitting that Barnsley should host the first people to gain employment through the Future Jobs Fund. In October 2009, 182 people, aged 18 to 24 or who were long-term unemployed, were welcomed to Barnsley Council and partner organisations. They will undertake paid training and work with the council for up to 12 months.

This was achieved by Jobcentre Plus and Barnsley Council working together, and over the next two years this partnership working will see the creation of 412 Future Jobs Fund jobs at Barnsley council.

The council and partners expect the jobs created to improve participants' future job prospects by giving them significant on-the-job experience and training in areas where there are labour market gaps as well as an updated CV and job reference.

15. The Total Place Report published alongside Budget 2010 outlines the way forward for places, led by local authorities with their unique local democratic mandate, but requiring the active engagement of Government and all local service delivery bodies. It presents a series of commitments that will give greater freedom and flexibility to support a new relationship between Government and places²⁸.

Total Place

Total place is demonstrating the greater value to be gained for citizens and taxpayers from public authorities working together to improve outcomes and eliminate waste and duplication.

Total Place has been an opportunity to take a fresh look at the whole system; put the customer at the heart of service design; tackle locally identified issues and priorities; and build a new way of working between central and government and local places.

A number of pilots looked at issues linked to worklessness and benefits and we have already agreed to work with a small number of pilots to identify what options there are for Local Authorities and Jobcentre Plus services to be delivered alongside each other with more integration in either Local Authority or Jobcentre Plus premises. These options will ensure that there is a clear business case identifying costs as well as the potential for improved efficiency and achievement of improved outcomes.

DWP and Jobcentre Plus will play their full part in working with local areas on the next steps on Total Place which was set out in the Government's Total Place report published alongside Budget 2010.

16. The Government is committed to giving business a greater say in the priorities for skills support. Employment and Skills Boards are changing the way we work with employers, enabling city and sub-regions to better understand their skills and employment needs and deliver improvements. We will continue to build on this by encouraging business leaders and partner organisations to develop business-led Employment and Skills Boards, operating across a functional economic area. Where they meet the criteria set out by Government, we will consider proposals for powers to set a skills strategy for the area. This will allow them to inform decisions on the distribution of funding for skills provision and help ensure that it meets the training needs of employers and the economy.

17. We want the planning system to best support economic growth and social inclusion by leveraging private investment. So we will do more to coordinated infrastructure investment, give more certainty to investors through Local

²⁸ Total Place – a whole approach to public services, CLG/HMT, March 2010.
http://www.hm-treasury.gov.uk/d/total_place_report.pdf

Development Plans and enable local planning authorities to take a proactive approach to 'Development Management'. We will do this by:

- more effectively enforce the existing statutory duty on Local Authorities to put Local Development Frameworks in place;
- ensure that the Local Economic Assessment duty and the Work and Skills Plans underpin local and regional planning strategies; and
- encourage local authorities to move from a development control to a development management approach so that local partnerships proactively engage with developers and shape their economic development.

18. The Government is also committed to working with landlords and housing associations to reduce the challenges some people face to work. We have recently announced plans to work with the Northern Housing Consortium over the next year to test a new approach to help tenants move to take up work. If successful, we will roll this scheme out nationally.

19. We will also invite social landlords to apply to test new approaches to help low income working residents in social housing. They will provide advice and support to residents on finances, training opportunities, and career prospects, enabling tenants to boost their economic prosperity and financial independence and reduce the chances of them moving back onto benefits.

20. As we announced in Budget 2010, the Government remains committed to accepting the recommendations of Ian Smith's relocations review which states that relocation of civil service jobs can help stimulate the economic vibrancy in the regions. The Government will implement the recommendations made in the review over the coming months and these will build on the approach outlined in the Regeneration Framework to prioritise under-performing sub-regions with concentrations of deprivation.

Commissioning services to meet the needs of local people and places

21. In the *Building Britain's Recovery: Achieving Full Employment* we set out how we would progressively devolve greater responsibility and influence to appropriate partnerships over DWP contracted provision. We laid out a route for better consultation with partners on future contracting, an opportunity to co-commission services with DWP, and a commitment that where there was a strong business case for doing so (measured by more people into work) to go further including potentially giving sub-regional partnerships a greater role in the commissioning of our contracted provision.

22. We are already starting to see the benefits of our more flexible approach to contracting. For example, in Manchester, Liverpool and Nottingham sub-regional partners have added funds to Jobcentre Plus Support Contract to increase the capacity of the contract. In other areas we are working with sub-regional and

local government partners to align local provision alongside DWP provision, including in the Invest to Save and Personalised Employment Programme pilot areas.

23. We will look to embed the developing commissioning processes and partnership arrangements which will ensure that DWP provision takes account of the needs of specific localities. As part of this work we will develop a new partnership concordat between central government and local authority led partnerships which clarifies respective roles.
24. Local Authorities can also be well placed to take on the role of service provider, for example, Dudley Local Authority won a DWP contract to deliver Flexible New Deal in the Black Country. We will support local authorities to take more responsibility for delivering provision for those furthest from the labour market, building the local authority role into future provision where we are able to do so. We will also explore the best way to incentivise good performance of all our providers, whether private, public or voluntary sector, including the potential for payment by results.
25. We will also explore the best way to incentivise good performance of all our providers, whether private, public or voluntary sector, including the potential for payment by results.

Public sector leading by example

26. DWP and Cabinet Office are working across Government to explore how best practice from our work to effectively manage prime contractor delivery chains can be developed and shared.
27. Anne McGuire, the Cabinet Office Advisor on Third Sector Innovation has recently highlighted the role of the third sector in the personalisation of public services. In particular the Adviser has shown the important role of the third sector in the provision of information, advice and brokerage services across all areas of public service provision, including welfare to work.
28. The Advisor notes the crucial role that these services play in enabling service users to exercise real choice, by ensuring they can access and maintain engagement with the services they select. In particular, user-led information, advice and brokerage provision can serve the dual benefit of promoting the independence and empowerment of users and ensuring more tailored and accessible provision for the people they support.

Conclusion

29. The measures outlined above will ensure that no place is left behind as we emerge from the recession. Through working in partnership we will go further to ensure that services are tailored to meet local needs, reflect local conditions and complement the national core of services.



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