



December 2008

# Raising expectations and increasing support: reforming welfare for the future

**DWP**

Department for  
Work and Pensions



Department for Work and Pensions

# Raising expectations and increasing support: reforming welfare for the future

Presented to Parliament by the Secretary of State for Work and Pensions by  
Command of Her Majesty  
December 2008

Cm 7506

£34.55

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ISBN 978-0-10-175062-2

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## Prime Minister's foreword



A fair society is built on a shared understanding of what each of us can expect from the other, which is why we have put not just rights but the responsibilities that match them at the heart of our welfare reforms.

Since we published our Green Paper earlier this year the global economic climate has undergone considerable change, with the employment market getting tougher and many people understandably worried about their futures and their jobs.

In today's turbulent times, it is more important than ever for the government to provide real help for those who need it, when they need it – whether they are facing redundancy or need support and advice to help them get back into work.

But in return, it is right to expect people to play their part by taking up the support that is offered to them and doing their best to get themselves ready for work. Too many of our communities still bear the scars of previous downturns, never having recovered from the scandal of millions pushed into a benefits system that too often trapped its recipients rather than supporting them back into work. As a Government we will learn the lessons of these past mistakes, doing everything we can during these difficult times to help people through the downturn fairly and to put them and their families in the best possible position to benefit from the economic recovery.

This White Paper marks the next stage in our welfare reforms – moving towards a system that offers more support but that expects more in return. I believe this is the right approach – helping people to develop their skills, make the most of their talents and build a better life for themselves, their families and their communities. And it is also the right approach for Britain – the key to becoming a fairer, more prosperous and more aspirational nation.

Bold, imaginative and tailored to people's personal needs, these changes will deliver fairness for taxpayers and benefit claimants alike – and in the face of challenging economic circumstances they will bring the advantages of work to more people than ever before.

A handwritten signature in black ink that reads "Gordon Brown". The signature is written in a cursive, slightly stylized font.

Gordon Brown  
The Prime Minister



## Ministerial foreword



This White Paper aims to improve the lives of hundreds of thousands of people. Keeping people engaged with the labour market will help them to take advantage of employment opportunities, make them better off and enable them to contribute to their community through employment. Our goals of ending child poverty and achieving equality for disabled people would be within reach.

That is the point of welfare reform: transforming lives and healing the scars left by previous recessions.

But it also helps people through today's economic downturn. Welfare reform is about making sure people take up the support that we know works. It is never about punishing people if they do not find work, despite their best efforts. In previous recessions, governments made the mistake of shuffling people on to inactive benefits, and then trapping them there.

As a consequence, when we came to power, the number of people on incapacity benefits had tripled and Britain had nearly a million lone parents out of work.

Some people say we should slow down welfare reform because we are entering a recession. The Government believes that we should do the opposite – we should increase the pace, because that means offering more support to people and matching it with the expectation that they should not fall out of touch with the world of work.

That is how we avoid the mistakes of the past. We help as many people as possible to find work now, and prepare everyone else to find work in the upturn, so that today's job losses do not become tomorrow's scars on our communities.

We inherited a welfare state that offered neither enough support nor asked enough of benefit recipients. Only around 30 per cent of recipients of key working-age benefits had to do anything in return for their benefits and the Government did little to make work pay.

This government set about putting that right in three phases of welfare reform.

First, we **deepened the obligation to work**, by introducing the New Deal and creating Jobcentre Plus out of the merger of the Benefits Agency and the Employment Service. These reforms meant that people signed up for work when they signed on for benefits – and introduced the principle that there was no 'fifth option' to avoid preparing for work within the New Deal. We matched those obligations with higher support, including by making work pay through the National Minimum Wage and the Working Tax Credit.

Second, we **widened the obligation to work**. We piloted the New Deal for Disabled People and Pathways to Work, the first employment programmes to help people on incapacity benefits get to a stage where they can find work. The New Deal for Lone Parents was introduced on a voluntary basis. That support worked,



but we wanted more people to benefit. So we are now replacing incapacity benefits with the Employment and Support Allowance, and from April this year all new claimants have been required to go through Pathways to Work, apart from those with the most severe conditions. From this November, we are requiring lone parents to look for work from when their youngest child reaches 12 years old, moving down to seven years old from 2010.

This White Paper implements the third phase of this reform programme. It is based on a simple idea: that **no one should be left behind**, that virtually everyone should be required to take up the support that we know helps people to overcome barriers to work. It draws on international experience, particular from Scandinavia and the Netherlands, where they have welfare systems that have generous support, but also high expectations that people who can find work will do so.

It is built on the recommendations of two independent reviews: the Freud Report and Gregg Review. It confirms that we will implement the Freud Report in full, including piloting his 'invest to save' proposal, where private and voluntary providers use future benefit spending to fund more up front investment to get more people back to work.

Professor Paul Gregg's Review was published last week. This White Paper confirms our support for his vision of a welfare state where virtually everyone is either looking for work or preparing for work – instead of just a third of benefit claimants having obligations. It sets out how we will legislate for that vision and pilot his recommendations, as we have with previous reforms.

These reforms will be based on giving people more power over their lives. Our Green Paper committed us to simplifying the benefits system. This paper takes important steps towards the goal of a simpler more effective system. Instead of treating claimants according to the group they are in, we will personalise the support they get to the barriers they face. They will be responsible for devising their action plan to prepare for work, in partnership with their adviser. Disabled people will be given a right to control the support that they get so they can decide how it is spent, with trailblazers in selected areas giving them power to overcome the discrimination from society which too many still face.

These reforms offer a vision of a fairer welfare system where truly no one is written off, where nearly everyone is preparing or looking for work, where everyone is treated as an individual and gets the support they need.

More importantly these reforms point the way to a fairer society where children don't grow up in poverty, where disabled people enjoy real equality, and everyone is given real help to overcome the barriers to achieving their full potential.



**James Purnell**

Secretary of State for Work and Pensions

## Executive summary

1. This White Paper sets out a vision and route map for a welfare state where everyone is given the help they need to get back to work, matched by an expectation that they take up that support. This builds on our earlier phases of reform which first deepened, then broadened, the support and responsibility to work. This began with the creation of Jobcentre Plus and the New Deals, and was most recently enhanced by the introduction of the Employment and Support Allowance and the new lone parent obligations.
2. Our Green Paper, *No one written off: reforming welfare to reward responsibility*, proposed extending this approach so that no one was left behind, trapped on benefits. Now we want to set a clear course towards the welfare state of the future. Our goal is a system where everyone has personalised support and conditions to help them get back to work, underpinned by a simpler benefits system and genuine choice and control for disabled people. This is the basis for a progressive welfare state capable of delivering higher employment and lower child poverty in the years to come.
3. Since the publication of our Green Paper, *No one written off: reforming welfare to reward responsibility*, the economic climate has changed substantially. We know that times are tough and that many families across the country are struggling to make ends meet. Every redundancy is a personal tragedy and our immediate priority is to provide all the help we can during this period of insecurity.
4. Encouragingly, we are better placed now than in the past to do so because the landscape of support for people to help them get back to work is transformed compared to previous downturns. Over the last decade we have developed a world-class, back-to-work service through Jobcentre Plus and our private and voluntary providers. Over half of new Jobseeker's Allowance claimants leave benefits within three months of claiming and around three-quarters within six months. Even as the overall number on Jobseeker's Allowance rises, it is important to remember that over 220,000 people still move off the benefit each month.
5. Governments cannot always prevent people losing their job. But our commitment is to do everything we can to help them find the next one as quickly as possible with help to improve skills where appropriate to help them progress in employment. In return we ask them to make a clear commitment to their own journey back to work. That is the basis of a fair deal in the welfare system.
6. However, the downturn means more people looking for work, and many finding it harder to get that next job. That is why the Pre-Budget Report allocated an extra £1.3 billion to Jobcentre Plus and our private and voluntary providers over the next two years so that we not only maintain, but increase, the support we offer.

7. Some people have argued that now is not the time to press ahead with welfare reform. We believe the opposite is true. The current economic climate means we must step up both the support we offer to people on benefits and the expectations of them to get themselves prepared for work. To do otherwise would be to repeat the mistakes of the past, writing people off and encouraging the long-term benefit dependency that still scars too many of our communities.
8. In a job market that is becoming more competitive, everyone needs to build their capabilities and update their skills. When the downturn ends, as it will, and the jobs market strengthens, we want people to be ready to take up the opportunities that will arise. That means putting in place the reforms now to get the system into shape for the future.
9. In the light of our consultation, this White Paper, *Raising expectations and increasing support: reforming welfare for the future*, sets out how we plan to take our proposals forward, to increase the support we offer and the obligations we expect in return.

## A simpler benefits system

10. The current benefits system provides a safety net for people in need, but its complexity can act as a barrier to employment and undermine a smooth and certain transition into work. Its complexity also makes it more difficult for our staff to deliver a service focused on employment. We want to transform this system into one that is simpler, clearer and more empowering; concentrating people's minds on their future job rather than their current benefit.
11. In the Green Paper we consulted on the model of a single income-replacement benefit for people of working age. The Institute for Public Policy Research (IPPR), David Freud and others have proposed models for a single benefit for income-replacement with "extra costs" met through other payments. Having such a single benefit would mean that there was no longer a need to move between benefits when circumstances change. It would also allow support and expectations to be tailored to an individual's situation, rather than being defined by the benefit they are claiming. We will explore whether, over the longer-term, a single working-age benefit is the right approach.
12. This would be a radical change, transforming expectations and experiences across the system. It is clearly a very significant reform and we will be undertaking further work to get both the structure of such a benefit and the journey towards it right. The first step on this journey will be the abolition of Income Support, so the system becomes based on two main out of work benefits. People currently claiming Income Support will move to either the Employment and Support Allowance or Jobseeker's Allowance. The requirements within Jobseeker's Allowance will be modified to suit the broader range of people who will be claiming it. We will not move carers from Income Support until we have a clear and detailed plan setting out how we will make changes to carers' benefits.

13. As part of our long-term vision for the benefits system, we also intend to seek views on changes to Housing Benefit early in 2009. These will be based on promoting work incentives, easing the transition into work and ensuring the system is fair between families on benefit and those in work. We have also recently published a consultation on reform of the Social Fund. This aims to increase the role of the voluntary sector in the provision of financial advice, building on the potential of Credit Unions to help people avoid debt, while focusing crisis loans on those genuinely facing a crisis.

## Devolving power to private, voluntary and public providers

14. This White Paper commits more money in support to get people back in to work. To ensure that money is effective, we will continue to reform the way we deliver our services. In his review, David Freud found that Jobcentre Plus was effective, and that it made sense to have a single public organisation doing the process of initial benefit processing and job search.
15. After that first stage, we believe there is value in having different providers competing for contracts. This contestability will raise standards. The contracts will be based on payment by results, so as to give incentives to providers to focus on getting people in to work. In the past, when using outside providers, governments have focused on processes rather than outcomes, thereby restricting their ability to innovate. Instead, our approach is based on a 'black box' method, where we specify what is wanted, not how it should be done.
16. The use of the private and voluntary sector is now business as usual for the Department for Work and Pensions. It accounts for a third of our spending. Voluntary providers deliver 40 per cent of our employment programmes. The Pathways to Work programme now covers the whole country, delivered by all three sectors. We are currently tendering for the Flexible New Deal, which takes further this approach of paying providers by results. We have also set our commitment to supporting individuals find sustainable employment. *Work Skills*, published this summer jointly with the Department for Innovation, Universities and Skills, described how we are creating an infrastructure to enable skills and employment services to better help people both find and progress in work.
17. This White Paper aims to go further. We want to improve the way we work with our providers, help them reach more people, and ensure they are properly connected to what is happening on the ground.

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18. So, we are confirming that we want to move to the 'Invest to Save' approach recommended by David Freud, also known as AME-DEL. This involves private and voluntary providers investing up front in getting more people back in to work, and being paid out of the resulting benefit savings. As David Freud recommended, we will take forward pathfinders for this innovative approach in five areas. On the basis of the lessons and learning from the initial pathfinders, we aim to expand this approach.
19. We also want to explore how we give providers incentives to help all their clients, not just those who are closest to work. The requirement in the Flexible New Deal for all clients to go through a four-week, full-time activity programme is partly designed to be an incentive against such 'parking' of those who are harder to help.
20. But we also want to explore other methods, such as an accelerator payment which rewards providers more per person, the more people they get into work. As clients become harder to place, so the financial reward for getting them in to work rises.
21. This period of innovation will be further enhanced by the proposals we have already announced for a 'Right to Bid', where we will turn the traditional tendering process on its head by inviting organisations to approach us with suggestions about how they can enhance our services.
22. But we also know that getting people back in to work is not just about employment programmes. It is about whatever is stopping that person from finding work – whether it is a lack of basic skills, a mental health condition or an issue about travelling to work.
23. Other departments spend significant sums helping people with these problems. But, too often, this help is organised around bureaucratic convenience rather than the individual's needs, making it confusing for the client and less effective than it could be. So, we want to connect up what we all do by:
  - devolving power to the local level, from making sure local partners play an active role in our commissioning process, through to us handing over both funding and accountability for outcomes to local areas who request it and demonstrate their capacity to deliver;
  - giving greater flexibility to Jobcentre Plus' Personal Advisers, to tailor the support they offer to individual's needs and circumstances;
  - integrating employment and skills, beginning with trials in Manchester and the West Midlands, exploring how these systems can be brought together to support sustainable employment and career progression; and
  - greater requirements for benefit customers to address their skills needs to support getting into and on in work.

24. In the short-term, we will invest £1.3 billion extra in Jobcentre Plus and our providers so they can help the higher number of people on Jobseeker's Allowance. In the medium-term, we will grow and reshape the market for employment services to create the right incentives and structures to get the best out of the private, public and voluntary sectors, working together to get more people back in to work.

## Personalised conditionality

25. The principle that benefit receipt should be conditional on the recipient fulfilling certain conditions has been part of our benefits system since 1911. However, the role of conditionality has evolved through many incremental changes over a number of years and is not always consistent. That is why Professor Paul Gregg was asked to assess the effectiveness of current policy and propose future reforms. His report was published on 2 December 2008 and the White Paper provides an opportunity for us to respond to its recommendations.
26. The Gregg Review proposes a radical vision of personalised conditionality matched by personalised support. This would be based on a clear bargain that almost everyone on benefits would be expected to take active steps towards work, but where those expectations are based on an individual's needs and circumstances. Within this personalised regime, the Review distinguishes between three groups:
- a 'Work-Ready' group for people who are immediately job-ready. This would be a largely rules-based and self-directed regime, with standard job search requirements. This would be based very closely on the current arrangements for people getting Jobseeker's Allowance;
  - a 'Progression to Work' group for people who cannot look for work but where returning to work is a genuine possibility with time, encouragement and support. People in this group would co-produce a back-to-work plan with a Personal Adviser that is tailored to their individual circumstances. The Gregg Review proposes that this should apply to the vast majority of people in receipt of the Employment and Support Allowance (those in the Work Related Activity Group) and lone parents and partners with younger children;
  - a 'No Conditionality' group where there would be no requirement for any work-related activity, but where support would be available for people who chose to seek it. The Gregg Review proposes that lone parents and partners with very young children, carers, and the most disabled people should be in this group.

27. The Government welcomes these recommendations and we support the Gregg Review's vision of personalised conditionality, based on these three groups. This would be a significant change; moving from treating people according to their category to according to their needs, and at their pace. Starting from late 2010, we plan to pilot the Gregg model of conditionality and support with people starting a new claim to the Employment and Support Allowance and lone parents with young children. We also plan to pilot this model with some existing Employment and Support Allowance recipients from 2011. We will also take forward the Gregg Review proposals on increasing adviser flexibility and sanction escalation.
28. In moving towards this approach we want to draw on the best of international welfare systems, such as the Dutch and the Scandinavian models where personalised support is matched by clear obligations on individuals to engage with support. These are countries which combine high levels of employment with low rates of child poverty.
29. The proposals particularly affect lone parents and partners with younger children. The Government agrees that we should not wait until the youngest child is seven before engaging with parents. We believe they should develop plans to engage with the support that is available, to improve skills, prepare for work or address more significant problems such as debt, drugs or mental health. We want to pilot how such a system would work, and how personalised conditionality could be flexible, fair and effective. In particular, we want to explore how conditionality could be adapted to the age of the youngest child and the circumstances of the parent. We will consult on our proposals. For lone parents with younger children, we will also start by exploring what the regime might look like for parents with three to six year-old children. We will take powers to legislate for this approach and discuss proposals for piloting with stakeholders.

## No one written off – enhancing support and control for disabled people

30. One consequence of the recessions of the 1980s and early 1990s was that hundreds of thousands of people were effectively written off on inactive benefits, with no support to get back to work when there were more jobs. We want to avoid repeating those mistakes now, to avoid the long-term social and economic costs they caused.



31. Our vision is a society where there is equality for disabled people. We are determined to take the steps needed to help them build their capabilities and increase the power they have over their lives. To support this goal, we have replaced Incapacity Benefit with the Employment and Support Allowance and made support through Pathways to Work available nationwide. This has improved the help available to disabled people or people with a health condition on benefits. Building on the Green Paper and the Gregg Review proposals, we want to go further in making sure that everyone gets personalised support, with a responsibility to engage with this support on their own journey back to health and back to work.
32. So, we will review the gateway to the Employment and Support Allowance to ensure that only those who are genuinely not capable of work are on this benefit. The Green Paper set out our plans to transfer all existing incapacity benefits claimants to the Employment and Support Allowance between 2010 and 2013.
33. By focusing the Employment and Support Allowance on people who cannot work, we can improve the support we offer them. Those with the greatest needs, will get a higher level of benefit, with an extra £17.60 a week for many of the poorest and most disabled people. For everyone else, over time, we will implement the 'Progression to Work' approach recommended by the Gregg Review starting with pathfinder areas from 2010.
34. People claiming the Employment and Support Allowance will be required to attend interviews with Pathways to Work providers and develop a personalised plan to get back to health and back in to work. This plan will be co-produced by the claimant and the adviser. We will legislate to allow advisers to decide what activity is appropriate for someone where an individual is not addressing their barriers to work. This could include addressing skills gaps or drugs misuse. However, in accordance with the Gregg model, we will not require people in this group to apply for, or take, specific jobs.
35. We recognise that the obligations should not all be on individuals. We also need to make sure that employers do not discriminate against people who are sick or disabled. So, we will double the budget for Access to Work, which helps employers meet the extra costs of employing a disabled person. This extra funding will also allow us to pilot greater flexibilities for people with a fluctuating health condition, and explore how we can best help people with mental health conditions.
36. We want to see a new right for disabled people, giving them greater choice and control over the public money currently spent on their behalf. We will legislate to give them a 'Right to Control', giving them the power to take a range of funding streams to which they are entitled as an individual budget, and trailblaze this approach in selected public authority areas before deciding next steps following evaluation.



- 37. We have already announced our plans to implement Dame Carol Black's Report on improving the health of the working-age population. In addition, Dame Carol is leading a board overseeing our mental health and employment strategy. We will also work across government to explore how, for people with mental health conditions, we can integrate health, work and skills services.
- 38. Finally, the Government is streamlining its existing equality legislation with the introduction of a single Equality Bill. We also recognise that we need to work proactively with employers to promote the recruitment and retention of disabled people, and we are working closely with employers and others on an employer-led campaign to do just this.

## More support matched by higher expectations for job seekers

- 39. Our help for people on Jobseeker's Allowance is based on the principle of more support and higher expectations as an individual spends longer on benefit.
- 40. In the Green Paper, *No-one written off: reforming welfare to reward responsibility*, we set out our proposals which build on the reformed Jobseeker's Allowance process, which will operate alongside the Flexible New Deal. The White Paper confirms these plans, and includes more detail on our plans for trailblazing a Work for Your Benefit scheme. This will require people who have been on Jobseeker's Allowance for two years to participate in full-time activity, to develop their work habits and employability skills in return for their benefit.
- 41. We also intend to bring forward new legislation to make the sanctions regime within Jobseeker's Allowance clearer and more consistent and introduce a new sanction that will affect benefit entitlement after a first benefit fraud offence. We will also test out the escalating sanctions regime proposed in the Gregg Review, which supplement financial penalties with mandatory activity full-time activity for those people repeatedly not meeting their obligations.
- 42. We will also provide tailored support to help problem drug users to get off drugs and move into work. A new drug and employment programme will provide an integrated approach to drug treatment and employment support. This will give drug users the chance to turn their lives around. In return, we will expect drug users to take up this support, so that benefits are going to help people overcome their problems, not into the pockets of drug dealers.

## Ending child poverty

43. The central purpose of our welfare reforms is to increase employment to release resources for our principal social justice priority: the eradication of child poverty by 2020. To underline the strength of our commitment, the Government will write its historic commitment to end child poverty by 2020 into law. Our reforms to increase support for, and expectations of, lone parents and partners of those on benefits, backed up by improvements in childcare and rights to flexible working, will help lift more children out of poverty in the years ahead.
44. This White Paper also confirms our plans to let parents on any income-related benefits keep all the maintenance paid for their children. So it is children, rather than the State, who benefit when payments are made. We are also bringing forward legislation to enable the new Child Maintenance and Enforcement Commission to withhold travel documents from non-resident parents when they refuse to contribute financially to their children's upbringing.

## Conclusion

45. These reforms are based on a simple deal: more support matched by higher expectations. They mark a decisive step towards a personalised welfare state, where a simpler benefits system underpins the expectation that nearly everyone on benefits is preparing or looking for work. We are determined to continue our radical approach to reforming the welfare state to help people now and in the future – based on opportunity for all and responsibility from all.





## Chapter 1

## Introduction



## Chapter one – Introduction

### Our commitment to welfare reform

- 1.1 In the global economy, it is the talent, knowledge and experience of people which are the main raw materials for success. So a strong, healthy and prosperous society needs everyone to have the chance to make the most of their skills and potential. Work brings people together and breaks down stereotypes that often divide disadvantaged groups, such as ethnic minorities and disabled people, from the rest of society.
- 1.2 To make the most of the opportunities available, we need to support everyone to achieve their own aspirations of a return to work, and match this with increased obligations on the individual to take up this help. This means recognising that everyone is different and tailoring support to their own personal needs, but also that nothing can be achieved without individual effort.
- 1.3 Government has not always taken this approach. During the 1980s, millions lost their jobs, but were given little help to return to work or any expectation that they would. The result was that whole communities were written off and trapped on benefits for years.
- 1.4 We have set about putting this right. Far-reaching reforms of the welfare system have helped remove the barriers holding people back, put a new emphasis on helping them into work, and given them responsibility to take up this support. We have taken major steps to ensure work pays and show that work is the best route out of poverty. This refocusing has helped reduce child poverty, deliver historically high employment levels, and return the welfare state to the original principles of rights and responsibilities set out by its founders.
- 1.5 But, despite this progress, there are still large numbers of people who have lost contact with the labour market. It also too often remains the case that those who face the most severe barriers to returning to work have received the least help.
- 1.6 This summer, the Government consulted on plans to build on and accelerate the progress we have already seen. The Green Paper, *No one written off: reforming welfare to reward responsibility*, set out proposals to improve and personalise back-to-work support and increase local and individual responsibility. In particular, we proposed increased help for people with the most complex barriers to work matched by a requirement on them to take up this support. Building on pilots which showed what worked, we proposed changes for all new claimants that would help to release individuals from benefit dependency.

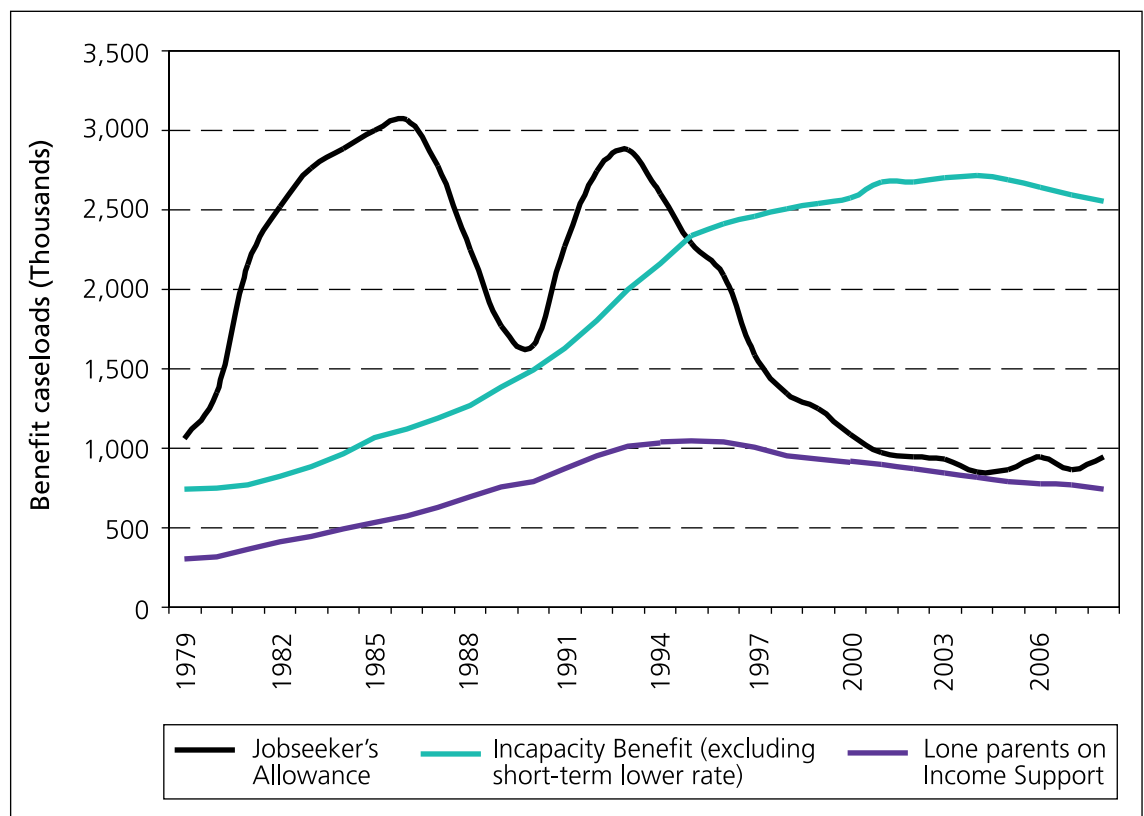
- 1.7 The proposals in the Green Paper underlined our determination not to stifle personal motivation or individual responsibility. But they also recognised that in a rapidly changing world, there is more need than ever for support, particularly for those who face barriers which others do not. Disabled people can sometimes face discrimination and challenges which are difficult to overcome on their own. People from ethnic minorities can also face discrimination and they and their children are more likely to live in poverty.
- 1.8 People who are out of work often need extra help and support to update their skills and gain confidence to enter the workforce. People leaving care and former offenders may need support in making the transition not only into employment, but also into society as a whole. Most people find work quickly when they lose their job, but, without active support, the opportunities of those who do not shrink quickly.
- 1.9 This means that society needs to intervene to support people and help them back into the labour market. This is particularly important when economic times are difficult. Since the Green Paper was published, the global economic climate has become much more challenging. This is already having an impact here in Britain.
- 1.10 We must not repeat the mistakes of the past which encouraged dependency and led to people being written off. Instead, we need to increase the personalised back-to-work support that we offer. People on benefits want to get back to work, so we need more of them to work with us to realise this goal. This will help them build a better life for themselves and their families as well as cutting the burden on the taxpayer and the country. But there also need to be clear consequences for those who play the system or who do not take work if it is available.
- 1.11 This White Paper retains the twin goals of our welfare reform in providing more support to help people overcome the disadvantages they face in the labour market, while at the same time increasing personal responsibility. Our plans to deliver on these goals takes into account the results of the public consultation. We will work in partnership with our providers and local communities and build on the understanding of individuals, recognising them as experts in their own lives. We will also actively engage with employers to develop new opportunities for people at a disadvantage in the labour market.

## Where are we now?

- 1.12 Since we published the Green Paper the world economic climate has become significantly more difficult. Although unemployment in the United Kingdom remains low by the standards of recent decades, it is rising. Both the International Labour Organisation (ILO) measure of unemployment and the number of people claiming Jobseeker's Allowance – known as the claimant count – are increasing. Many experts believe that unemployment will continue to increase, as it is also expected to do in many other countries.

- 1.13 It is also important to remember that, thanks in part to welfare reforms, we are much better placed than in the past to weather global economic storms. Interest rates are low and inflation is expected to fall sharply. The number of people in work reached its highest ever level – 29.5 million – this summer and there are still over half a million job vacancies at any one time. While there were nearly three million people claiming unemployment benefits in 1992, the number last month, although rising, was below one million, and was still more than half a million below 1997 figures.

Chart 1.1: People on key out-of-work benefits<sup>1</sup>



<sup>1</sup> Jobseeker's Allowance figures are from the Office for National Statistics, are UK-based, and are consistent over time. Both the Income Support for lone parents (IS(LP)) and Incapacity Benefit (IB) data are Great Britain based; the source for both from 2000 onwards is the Work and Pensions Longitudinal Study (WPLS) 100 per cent data; data between 1997 and 1999 is WPLS five per cent sample data. This means that there is a discontinuity in the series for both IS(LP) and IB between 1999 and 2000. In addition, the IB short-term lower rate has been excluded from the IB time series as the changing rules of Statutory Sick Pay mean that this element is not comparable over time.



- 1.14 Levels of economic inactivity are also down from those in the mid-90s. The number of people on incapacity benefits more than trebled between the late 1970s and the mid-1990s. The number of new claims for incapacity benefits has now fallen by over a third, and, for the first time in decades, we have begun to reverse the relentless rise in the number of people receiving the benefit – down nearly 200,000 from its peak. Targeted support also means there are now 320,000 more lone parents in employment than in 1997.
- 1.15 These figures underlines the dynamism and resilience of the labour market that lies behind the headline figures. The UK still has an employment rate which is the second highest in the G7 Group of leading industrialised nations. However, we have to accept that there will always be jobs lost, as well as jobs gained, even when the economy is growing strongly. This does not mean leaving people to sink or swim. We cannot protect every job, but we can protect people by giving them the support to update their skills and find new jobs. Above all, we must learn the lessons from previous slowdowns here and abroad.
- 1.16 Experience has shown that without an effective intervention and support regime, cyclical increases in unemployment can too easily become permanent. The breaking of the link between benefit entitlement and active job-seeking in the 1980s, together with attempts to push people on to incapacity benefits, led to millions of people being written off, with no expectation that they should work again. For ethnic minority and disabled people the effect of the last downturn was particularly severe.
- 1.17 This is bad for the individuals who lose their skills and motivation to return to employment, and for their families who find themselves trapped in dependence and poverty. It is also bad for the country, which loses both their talents and their potential and has to foot the benefits bill. So, as we enter a period of economic difficulty, we are learning from the past, recognising that it is more important than ever to step up efforts to reduce inactivity, to increase support rather than relaxing conditionality, and to invest in skills and retraining for the future.
- 1.18 We need to build on the UK's success in developing active labour market policies, on the world-class capabilities of Jobcentre Plus, and on the proven success of initiatives such as the New Deal and Pathways to Work. We are investing an extra £1.3 billion in Jobcentre Plus and our other services over the next two years so that we not only maintain but increase the support we offer.
- 1.19 These programmes can only work, however, if people actively engage with them. This White Paper sets out how we intend to make our programmes still more effective and to increase the responsibility on people claiming out-of-work benefits to engage with those programmes – a proven route into work and out of dependency and poverty.

- 1.20 We will increase personalised support for those out of work and embed the idea that clients themselves should help define and jointly own their individual return-to-work plan. These obligations will be underpinned by loss of benefit or a requirement to do full-time activity for those who fail to engage or meet reasonable requirements.
- 1.21 Under our plans, no one will be written off. There will be no attempt to massage benefit figures. Indeed, the new responsibilities for lone parents with older children and tighter tests on ability to work may lead to tens of thousands of people being transferred onto the claimant count. In the short-term, this might increase the unemployment figures. In the long-term, it will ensure individuals get the personalised help they need to find sustainable and rewarding work, shifting the focus from what they cannot do to what they can do. To do this we will devolve more power and responsibility to communities and individuals, including disabled people. This will result in a reduction in poverty and disadvantage, and put our economy and country in a stronger position.

## Consultation on the Green Paper

- 1.22 The formal consultation period on the Green Paper, *No one written off: reforming welfare to reward responsibility*, ran from 21 July to 22 October 2008. Appendix A gives detailed information on the outcomes of the consultation. Overall, we had a substantial response to the consultation, with more than 1,100 responses.

## Key messages

- 1.23 The key message from the consultation is that the increased focus on personalised support, in return for specific work-related action, reflects public expectations. Most people agree that work is the best form of welfare. They expect working-age people who are claiming out-of-work benefits to be actively looking for work if they are able to do so. It is clear that taxpayers expect an increased focus on work for those who are claiming incapacity benefits – and the expectation of greater activity from job seekers.
- 1.24 However, we also heard from an important minority who expressed concerns about any increase in the conditions attached to the payment of benefits. These can be summarised under three points:
  - questions about whether requiring additional activity from people on out-of-work benefits was justified, coupled with scepticism about existing and proposed work-related programmes to support a return to work;

- concerns about whether there were sustainable jobs available for disadvantaged groups – views that employers were unwilling to offer jobs, for example to disabled people and problem drug users, and that there was inadequate support to allow people to get on in work; and
- concerns about the impact of financial sanctions on vulnerable people – arguing that financial penalties reduced income below an acceptable level, while having little impact on behaviour.

## Conditionality

- 1.25 We understand the need to make sure that requiring additional work-related activity is right for each individual. Many people will be ready to start looking for work straightaway. And many people who are unable to actively look for work now are still capable of taking steps towards an eventual return with support to develop employability skills and to improve their job readiness. Both groups must be encouraged and supported because leaving people with no support until they are ready to look for work makes getting back to work much less likely. So conditionality and support need to be tailored appropriately to enable people to do what is reasonable for them, and what will help them on a potentially long journey back to work.
- 1.26 We know that some people who responded to our consultation had reservations about the proposals for expecting more of people on benefits. So we asked Professor Paul Gregg to review the effectiveness of conditionality regimes and make proposals for the future. He found that conditionality works well in our system, and ensures more people take up the support that helps them overcome barriers to work. But he also argued that we could learn from systems like the Dutch and Scandinavian welfare states which give claimants more control over their journey back to work, and personalise support to individuals' needs. We believe his proposals address the issues that were raised, and give us a clear way forward, based on three different groups: those looking for work; those preparing for work; and those who would be exempt from conditionality, such as carers and severely disabled people.

## The job market

- 1.27 As we said earlier in this chapter, while we can take action to support people looking for work and in work, we cannot protect every job. Even during times of prosperity, people move in and out of work, with new industries replacing old ones. This is essential for a successful, dynamic economy. But an economic downturn will inevitably mean that more people risk falling out of work. The more than half a million vacancies in the labour market at any one time show that there are job opportunities available for people on benefits. But we do need to make sure they have the skills employers want in order to compete effectively for vacancies.

- 1.28 Of course, it is true that some people face greater barriers to finding a job. For example, groups like young people leaving care and former offenders, as well as individuals with learning disabilities and mental health conditions, need increased levels of support to help them make the transition into employment. But it is also the case that for many those barriers get higher and more complicated the longer they stay on benefit. Understanding this is at the heart of our welfare reforms. They provide more active, personalised support to help people overcome these barriers rather than an impersonal and passive service that condemns people to years of inactivity.
- 1.29 But support for people looking for work is only part of the story. We need to make sure that employers are active partners in this process, willing to unlock the talents of disabled people and others looking for work. This White Paper sets out in greater detail our plans to support people in work so that they can progress, and to prevent people returning to benefits unnecessarily.

### Sanctions

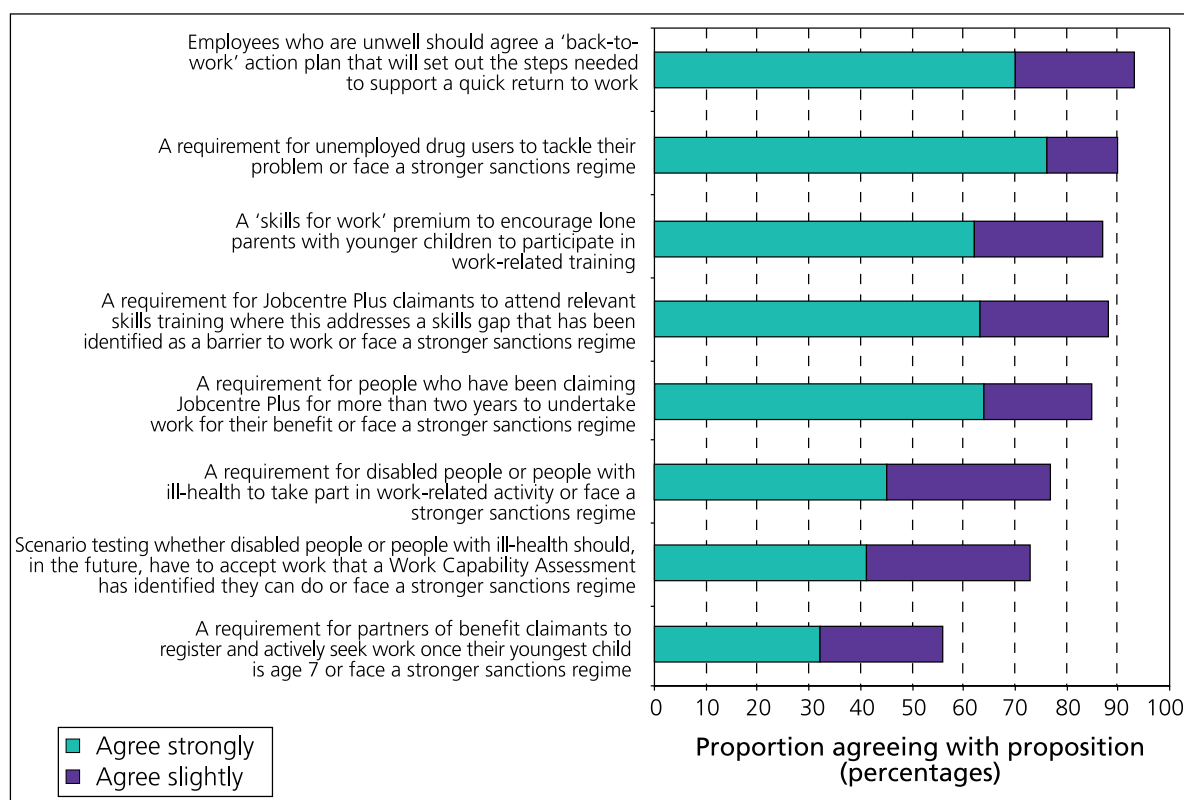
- 1.30 We set out at the beginning of this chapter why we need to provide more support for people to return to work, and why this increased support has to be associated with more personal responsibility. We have a greater expectation of people on benefit to make the most of the support that we – and other providers – will offer. The Gregg Review has also provided a valuable independent view on this matter.
- 1.31 Almost everyone on out-of-work benefits understands and meets their obligations to prepare and look for work. Inevitably, however, there are a few people who do not meet their responsibilities. In these cases, people may need to be reminded of what is expected of them – and of the sanctions which can result from failure to comply. If the process breaks down, a sanction may be imposed. As the Gregg Review recommended, the sanctions should be clear and crisp and should engage people by changing their behaviour.
- 1.32 It is important to put our use of sanctions in perspective. Sanctions are not imposed simply because someone cannot get a job. No one is sanctioned for trying, but failing, to get a job. Jobcentre Plus has around 60 million face-to-face encounters with its customers every year. Only a tiny minority result in a sanction, for example around 12,000 Jobseeker's Allowance claims are terminated each month because the job seeker did not attend an interview. Evidence suggests that vulnerable people are no more likely to receive a benefit sanction than others.<sup>2</sup>
- 1.33 The proposals in the Green Paper, *No one written off: reforming welfare to reward responsibility*, were intended to make sanctions more predictable and easier to understand. We expected this increased clarity to encourage benefit claimants to comply with the requirements for benefit entitlement and so avoid receiving any sanction. This White Paper builds on the consultation and the recommendations of the Gregg Review.

<sup>2</sup> Peters M. and Joyce L. (2006). *A review of the JSA sanctions regime: Summary research findings*. Department for Work and Pensions Research Report No 313.

## Public opinion research

- 1.34 The Green Paper, *No one written off: reforming welfare to reward responsibility*, proposed new thinking on welfare and we were clear that some ideas needed to be tested before they were applied nationally. The views of people who responded to the consultation are important, but we also wanted to understand broader public opinion to build a consensus that would make changes to the welfare state durable. To do this, we wanted to find out whether our proposals commanded the support of the taxpayer and claimants.
- 1.35 So, we commissioned public opinion research<sup>3</sup> to examine key proposals from the Green Paper. Most policies covered in the research enjoyed high levels of support, with at least eight out of ten people backing them.
- 1.36 The findings (set out in Chart 1.2) indicate that there is a broad consensus for the overall direction of our reforms. Inevitably, there are also areas where stakeholders have raised questions or concerns about policy proposals. This White Paper summarises how these thoughts have been reflected in our plans. It does not respond to every point raised, but we have read and considered every response to ensure that this White Paper includes a fair representation of the feedback.

Chart 1.2: Public opinion on Green Paper proposals



<sup>3</sup> Available at <http://www.dwp.gov.uk/welfarereform/noonewrittenoff/consultation.asp>

## Conclusion: reforming welfare for the future

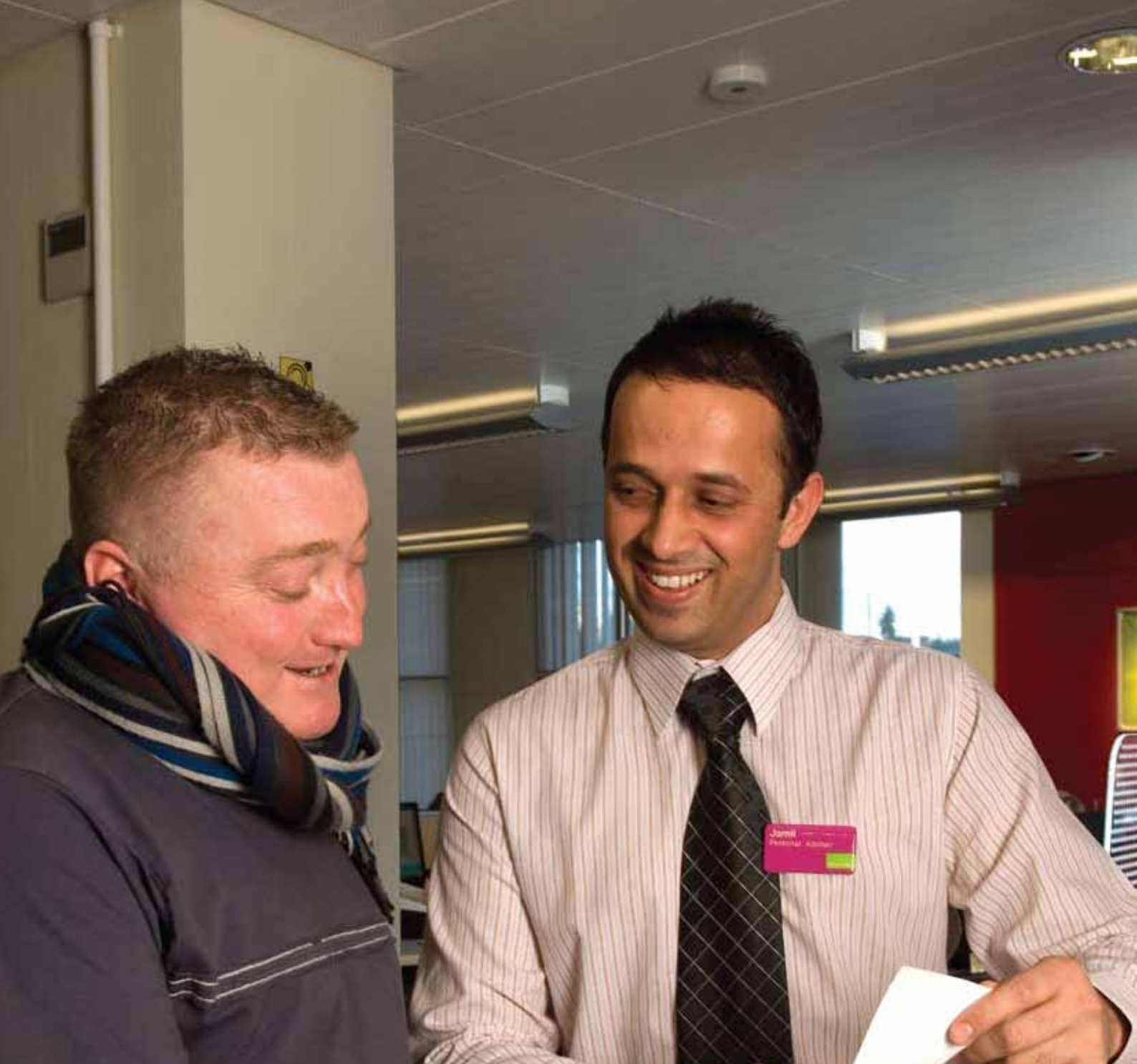
- 1.37 The plans for reform that we set out in this White Paper will help us to support many more people from inactivity into work and to progress in sustainable jobs. The increased support we are offering is based on a clear approach – services personalised to individual needs and return-to-work plans jointly owned with clients underpinning active engagement in back-to-work activity. This will make for a progressive ‘something for something’ welfare state.
- 1.38 Our reforms reflect an understanding that different people require different support. We know that the current economic uncertainties mean that there will be more people in need of personalised help. We cannot protect every job or stop the flow of people coming onto out-of-work benefits. But we can offer people support to get back into work, and ensure that they do not fall out of touch with the labour market. Only then can we hope to prevent people becoming trapped in inactivity, as happened in previous recessions of the past. These reforms are necessary to make sure we offer a life of independence to everyone – the core aim of our welfare state. The reforms contribute to the Government’s overall vision for improving public services to make them fairer for all and to give people more control over their lives.<sup>4</sup>

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<sup>4</sup> This vision is set out in the following publication. Cabinet Office. (2008). *Excellence and fairness: Achieving world class public services*.







## Chapter 2

## Benefit reform





## Chapter two – Benefit reform

### Summary

A clear message from the consultation on the Green Paper was that the current benefits system is too complex. This complexity can act as a barrier to our customers and our staff. It also fails to reflect the change in focus away from benefits simply being a safety net towards supporting more people back into work.

This chapter sets out how we intend to simplify and improve the benefits system following consultation by:

- exploring models to reform the benefits system, including looking at a single income-replacement benefit for people of working age;
- exploring how we might develop our plans to support carers alongside working towards a simplified benefits system;
- launching a consultation for the reform of Housing Benefit in 2009.

We will create a benefits system fit for the 21st century. It should be simple to understand, well targeted and empowering; and provide clarity and certainty for people making the transition between benefits and work.

### Today's benefits system

- 2.1 Our benefits system provides a vital safety net to prevent people falling into poverty. What is too often overlooked, however, is its equally important active and enabling role. Where possible, the benefits system must support people into employment by helping them to gain new skills, update old skills, or simply build their confidence to rejoin the labour market. Failing to provide the necessary support would be a profound waste of human potential.
- 2.2 Successive governments have tinkered with the benefits system to support the needs of specific groups. But while we provided appropriately for broad groups, we have failed to move our focus down to an individual level when it comes to back-to-work support. Too often we expect a level of activity and engagement because someone claims a specific benefit, rather than because it is appropriate for them.

- 2.3 Many people who responded to the consultation on our Green Paper *No one written off: reforming welfare to reward responsibility* told us that the current system is too complex. People commented that our customers are not always aware of their responsibilities or what information they should be providing to us. We know that this complexity can disempower people, restrict choices and act as a barrier to work by blurring the responsibilities that go with benefit rights.
- 2.4 This complexity also hinders our staff and can lead to costly mistakes – costly both to the state and to individuals. In 2005-06, £1.9 billion was overpaid as a result of error within the benefits system. Although this represented only 1.7 per cent of total benefit expenditure, the waste of scarce resources that it represents is unacceptable. We are determined to address this problem and, in January 2007, we published for the first time ever a comprehensive error reduction strategy<sup>5</sup>. That strategy identified the reduction of complexity as a key element in reducing error within the benefits system.

## Tomorrow's benefits system

- 2.5 The social security system exists to provide support for those who need it, acting as a safety net when necessary and helping individuals to support themselves. For the benefits system to be effective in achieving its aims it must be sufficiently accessible and clear enough for customers and staff to navigate. Our priorities for the social security system must be to ensure that resources are targeted where they are most needed, to incentivise and enable people to return to work, and to achieve the best value for money. These priorities will inform any work we take forward to look at potential models for a streamlined benefits system of the future.
- 2.6 The current system is too complex. We should not expect our customers to mould themselves to fit the system, nor should our staff waste time and money dealing with badly designed processes. We need to develop a benefits system that enables and empowers individuals to take control of their lives and treats each customer as an individual, with their own varied routes back into employment. This would be a benefits system that doesn't merely catch people, but propels them forwards.
- 2.7 We have already begun to improve the support we offer by moving towards increased use of the telephone so that we can guide people through the claims process. But we accept the need to simplify the benefits system further. In the Green Paper we set out our proposal to look at whether, over the long term, radical simplification is best achieved by introducing a single benefit drawing on the best features of Jobseeker's Allowance, Income Support and the new Employment and Support Allowance.

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<sup>5</sup> Department for Work and Pensions. (2007). *Getting welfare right: Tackling error in the benefits system*. TSO.

- 2.8 We received many supportive responses and have also looked closely at the proposed models for a single benefit put forward by the Institute for Public Policy Research (IPPR), David Freud and others. We remain attracted to the idea of a single working-age benefit and will continue to explore whether, over the longer term, this is the right approach for our aims for the social security system.
- 2.9 Radical simplification should improve things for our customers and our staff and help to shift our customers' focus away from the complex and overlapping structure of benefits towards the journey back to work. A single system of benefits would mean that the claims and payment process could be more easily automated. It would allow us to make much better use of the internet and other methods of self-service. People would not only be able to claim benefits online, they would also be able to track the progress of their claim and notify changes. A system like this would make it easier for people to check whether there was other support that they could receive.
- 2.10 The gains for the Department in terms of administrative savings are obvious. It will enable staff to be moved to where they can actually make a difference, concentrating more on helping people with their journey back into employment and providing support more tailored to individuals rather than pre-determined by the name of their benefit. This approach is echoed by the recommendations of the recently published review of conditionality.<sup>6</sup>
- 2.11 In his Review, Professor Gregg also acknowledged that while the current benefits system could deliver on this aim, the hugely complex and confusing benefit structure would restrict its effectiveness. The Review therefore recommended that we take forward work on a single working-age benefit.

## A single system of benefits – the way ahead

- 2.12 We have previously said that major changes to the benefits system have to be made in several stages. This is the only way to ensure safe delivery and minimise disruption for our customers. We have started to lay the foundations of a simplified system of benefits with the introduction of the Employment and Support Allowance and other recent changes. The next natural step towards a simplified system should be the closure of Income Support which would take us to a dual-benefits system based around Jobseeker's Allowance and the Employment and Support Allowance. Those who currently claim Income Support and who do not move onto the Employment and Support Allowance will move to Jobseeker's Allowance.

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<sup>6</sup> Gregg P. (2008). *Realising Potential: A Vision for Personalised Conditionality and Support*. TSO.

- 2.13 Jobseeker's Allowance requires the most activity of all the working-age benefits and is focused on helping people who are work-ready return to employment. We recognise that not everyone claiming Income Support is in a position to look for employment, certainly not straightaway. So for these people we will modify Jobseeker's Allowance to mirror the levels of activity within Income Support. The change in benefit will, therefore, not result in an increased level of required activity.
- 2.14 Those, however, who felt they were in a position to explore a return to work would be able to choose to make use of the increased support available. We will also carry forward the rules on education and training, meaning those people who currently claim Income Support and are studying or in training can continue to do so once they are moved to the modified Jobseeker's Allowance.
- 2.15 Professor Gregg recommended that when we take powers to abolish Income Support and move claimants onto Jobseeker's Allowance the Department should give themselves the legislative framework to deliver the new 'Progression to Work' path (see Chapter 4). We can see the advantage in doing so and will be proposing that legislation is drafted accordingly.

## Carers and a simplified system

- 2.16 In the Green Paper we asked for views on whether moving some carers onto Jobseeker's Allowance, with no change in the conditionality placed upon them, would be suitable. Many carers and their representative organisations were very clear that Jobseeker's Allowance was not an appropriate benefit for carers. Respondents explained that carers would not be available for work because of their caring responsibilities – which, although unpaid, were at least as much as those experienced by people in full-time work.
- 2.17 In his review of conditionality, Professor Gregg also said that people entitled to carers' benefits should not be expected to engage in back to work activity, unless they volunteered to do so. We accept that recommendation. We also remain committed to ensuring that the specific needs of carers are recognised within the benefits system. As a result, we have amended our proposal and will not move carers from Income Support until we have a clear and detailed plan setting out how we will reform the benefits system over the longer term. We will, of course, discuss these plans with stakeholders as our work on streamlining the benefits system progresses.

## Wider reform of carers' benefits

- 2.18 A number of consultation responses discussed wider issues around carers' benefits, highlighting some of the complexities and obstacles that carers encounter in the current system. The Work and Pensions Select Committee also published a report<sup>7</sup> about the Department's support for carers, which provided a useful appraisal of the difficulties inherent in the current system.
- 2.19 The current economic climate is challenging and which means it is even more important that we can ensure that support is going to those who need it most. In this context, there is still a need to consider whether existing resources are allocated in the most effective way to support carers.
- 2.20 We agree that we must look carefully at the challenges the benefits system presents to carers, but it would not be right to undertake any review of carers' benefits in isolation. Many of the difficulties that carers experience arise from the interactions between different benefits and interactions with different aspects of the wider welfare system.
- 2.21 As we explained in the recently published Carers Strategy,<sup>8</sup> we must look carefully at carers' benefits in the context of our wider ambitions for welfare reform. The support that carers provide within families and communities is absolutely crucial. This was made very clear during our work with carers and carers organisations on the Carers Strategy. Carers organisations continue to be at the forefront in championing change for carers and it is vital that we continue to work in close partnership as we look at how the benefits system can best provide the support and recognition that carers need and deserve. We remain committed to doing this and recognise the importance of taking a joined-up approach to looking at the future of carers' benefits – across Department for Work and Pensions and across government.
- 2.22 For example, the Department of Health is currently leading a fundamental review of the care and support system, in partnership with Department for Work and Pensions, to ensure we are equipped to deal with the challenges that an ageing population will present. The findings from this review will be crucial in assessing the role of unpaid carers in a future care and support system.
- 2.23 The needs of carers will be central to our consideration of the future reform of the benefits system. We will ensure that proposals for a future system of support make appropriate provision for carers and fit well with the outcome of the Department of Health review of the care and support system.

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<sup>7</sup> Work and Pensions Committee. (2008). *Valuing and Supporting Carers*, House of Commons.

<sup>8</sup> Department of Health. (2008). *Carers at the heart of 21st-Century families and communities*. TSO.

## Supporting work incentives

- 2.24 In the past, the tax and benefits systems tended to focus on different objectives. The tax system was used principally as a means of raising revenue, while the benefits system addressed individual and family need. But this need not be the case. Both systems can contribute to the same social justice objectives and, in particular could provide means to promote work incentives and tackle poverty.
- 2.25 The Government has reformed the tax and benefits system so it provides improved support for people who cannot work but also stronger incentives to participate and progress in the labour market. While there are genuine difficulties associated with designing a system that balances these two objectives without putting a high burden on the taxpayer, the Government has moved forward on both fronts. These changes underline the fact that, for most people, work is the best route out of poverty while freeing more resources to help those who can not work.
- 2.26 In particular, through the National Minimum Wage and Working Tax Credit the Government has boosted in-work incomes, improved financial incentives to work and tackled poverty among working-age people. For the vast majority of people in work there are now clear financial rewards and many groups previously at a disadvantage in the labour market receive considerably more as a result of increased in-work support.
- 2.27 The Government's system of back to work credits – the In-Work Credit for lone parents and the Return to Work Credits in the Pathways to Work programme – have also delivered greater support to people to provide greater reassurance and support during the first months back in employment. Some 95,000 people have benefited to date from the In-Work Credit and 52,000 from the Return to Work Credits.
- 2.28 However, the rules of the benefits system can, in rare cases, make people better off on benefits than in a job. To provide further re-assurance for people returning to work, we have been piloting a better off in work Credit since October 2008. This ensures that long-term benefit claimants (over 6 months) who move into full-time work will receive at least £25 a week more than they did on out-of-work benefits for the first 26 weeks in employment. If piloting proves successful we will look to extend this approach in 2009.
- 2.29 A number of parties raised the issue of work incentives during their responses to the consultation when responding to the question of a single working-age benefit. Some highlighted specific issues concerning the interaction of the benefits and tax credit systems with others specifically calling for an assessment of how the systems interact with each other.

- 2.30 As the labour market continues to evolve the Government will continue to work to ensure that the tax and benefits systems do not constrain people's motivation to move into, and progress in, work. A key part of this will be our continued effort to ensure that people understand the impact that moving into work would have on their financial situation.

## Contribution conditions

- 2.31 The principle that people pay contributions when they are working and receive benefits when they are unable to work has long been at the heart of our welfare system. But at the moment it is possible, for example, to qualify for a lifetime on contributory Employment and Support Allowance or 6 months on contributory Jobseeker's Allowance (which also disregards savings and most other household income) after as little as 12 weeks' work at the National Minimum Wage, or three weeks as a higher-rate taxpayer. We do not believe that this is fair and we said in the Green Paper that we intended to reform the rules to bring Jobseeker's Allowance and the Employment and Support Allowance more into alignment.
- 2.32 This White Paper therefore confirms our intention to take the proposals in the Green Paper forward. From 2010, new Employment and Support Allowance and Jobseeker's Allowance claimants will only qualify for contributory Employment and Support Allowance or Jobseeker's Allowance if they have paid contributions<sup>9</sup> for a minimum of 26 weeks. Payment of these contributions will need to have taken place in the last two tax years.<sup>10</sup> We will retain the existing protections and exemptions for self-employed people and vulnerable groups.

## Housing Benefit Review

- 2.33 Housing Benefit is an income-related benefit which helps over 4 million households with the cost of rented accommodation. Nearly three out of four customers are also on Income Support, income-based Jobseeker's Allowance and Pension Credit. It is a stand-alone benefit, designed and administered separately from other benefits, but there are close and often complicated links with other benefits and credits. Housing Benefit reform is therefore an integral part of any wider reform of the benefits system.

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<sup>9</sup> Certain people on a low income are treated as having paid National Insurance contributions if they earn between the lower earnings limit and the single person's tax threshold.

<sup>10</sup> A tax year is from 6 April to 5 April the following year.



- 2.34 The joint Department for Work and Pensions and HM Treasury internal review of Housing Benefit was announced as part of the Budget 2008 statement. The focus of the review has been on the working-age Housing Benefits system, looking at its effectiveness, particularly in promoting work incentives, efficiency and fairness, and ensuring it represents value for money for the taxpayer.
- 2.35 The Government is concerned about the rising costs of Housing Benefit and is taking steps to improve the scheme's effectiveness. It is our intention that Housing Benefit should provide sufficient support to those receiving it to enable them to afford suitable accommodation. At the same time, we want to avoid creating situations in which people out of work are able to live in accommodation for extended periods which would clearly be out of the reach of working families. We also fully recognise the importance of strong neighbourhoods and mixed communities. We also need to support people who may be put off work because of the removal of a stable benefit income and the need to report changes more frequently. We need to look at ways of making these transitional periods more secure.
- 2.36 We therefore want to see how we can build on the existing reforms we have made to the extended payment regime and see how we can provide stability during the transition into work. We want to consider how we can make the system less responsive to individual changes of circumstances, give people more certainty about receipt of their benefit, and remove any perceived risks associated with administration.
- 2.37 Easing the transition into work, promoting value for money and ensuring the Housing Benefits system is fair to working families not on benefits are the key themes of the review and, in themselves, could mean some radical changes to the current system. We also recognize that the current structure of Housing Benefit is complex so we want to do all we can to drive forward the simplification agenda.
- 2.38 To date this review has been internal. We will launch an external consultation in early 2009. Here we will set out our long term vision for Housing Benefit reform and a potential strategy for achieving our objectives, including value for money. We will also set out any early steps we may need to take.
- 2.39 We also want to build on the successes of the 'In and Out of Work' pilots to make the links between Department for Work and Pensions, HM Revenue and Customs and local authorities seamless, thereby significantly improving customer service and providing better work incentives. The pilots have demonstrated that it is possible to have a fully integrated approach to service delivery so that, when moving in and out of work, customers need only contact one organisation about benefits rather than three. Streamlining the claims process for Department for Work and Pensions benefits, Housing Benefit and tax credits has led to transformed customer service and improved speed of processing. Turning benefits 'on' and 'off' quickly and more effectively is a key enabler to encouraging customers to take the first step into the labour market, particularly to take up short-term work.

- 2.40 We will continue to pursue our promotion of awareness and understanding of Housing Benefit and Council Tax Benefit which we know to be a problem and something that hinders moves into employment. In particular, we want to raise awareness that Housing Benefit can be claimed in work, and improve customer understanding of the way Housing Benefit operates.
- 2.41 We are keen to promote financial inclusion and individual responsibility among customers across all housing sectors. However, we will not be taking forward any compulsory pilots of paying Housing Benefit direct to customers in the social housing sector.

## Review of the Social Fund

- 2.42 The Social Fund provides valuable support to help people on a low-income meet the costs of unexpected lump sum expenditure through interest free budgeting loans. In 2007-08 we made around 1.2 million social fund budgeting loans amounting to over £500 million to people getting income related benefits. In addition, 1.4 million crisis loans were made, totalling £121 million, and community care grants amounting to £139 million were made to 247,000 people.
- 2.43 We recognise that access to affordable credit is particularly difficult for the most vulnerable who do not have access to mainstream financial services. Yet that does not mean they do not have a legitimate need for credit to meet sudden and unforeseen costs. We are concerned that the poor tend to pay more in interest costs and want to do more to improve the support we can provide for such people. Ideally, we would like to offer better budgeting advice in a trusting environment over the longer-term, that ultimately supports people to save for spikes in expenditure, either planned or unexpected, rather than having to borrow at short notice.
- 2.44 The Green Paper signalled our intention to consider the scope for the budgeting loans scheme to provide more effective help to allow people to overcome financial exclusion. The feasibility study which was commissioned to look at the practical and financial implications of delivering the Social Fund in partnership with the private and third sectors has now been completed. The detailed findings were published in a report on the Department for Work and Pensions website [www.dwp.gov.uk](http://www.dwp.gov.uk) on 25 November.<sup>11</sup>

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<sup>11</sup> Department for Work and Pensions. (2008). *The social fund, a new approach*. DWP.

- 2.45 Following the study, we have announced our intention to move forward with plans to enable third sector organisations, such as Credit Unions and others, to come forward to deliver affordable credit and advice to Social Fund customers in areas where the capacity to do exists. However we do not propose to work with outside partners on the administration of community care grants which provide much needed help to the most vulnerable in our society. More generally we have begun a programme of discussion on the future of the social fund, which centres on plans to work with the third sector to make our service even better, making affordable credit available more widely and providing better financial advice and support in difficult economic times. This complements other Government initiatives to improve access to advice and support on financial issues, including the forthcoming Money Guidance pathfinder in the North West and North East of England.

## Conclusion

- 2.46 Our benefits system for people of working age should make the most effective use of resources to provide security in time of need whilst providing that support in a way that can help them back to work. We will consider whether the complexity of our system, which has developed in a piecemeal fashion over many years, means that it does not always deliver effectively on these goals.
- 2.47 This Chapter sets out our long-term aim of simplifying and streamlining the system. We are already reducing the present three working age benefits to two by, in time, abolishing Income Support, having first looked carefully at the challenges the benefits system presents to carers. We also propose to consult on change to Housing Benefit: to simplify, improve work incentives and deliver better value for money; and to work with the third sector to better help Social Fund customers. Taken together, this Chapter therefore lays the foundations for major reform.



## Chapter 3

## An empowering welfare state





## Chapter three – An empowering welfare state

### Summary

This chapter sets out our intention to devolve power in welfare to allow us to draw on the expertise of the providers of employment support, on local communities and individuals.

Building on the Green Paper proposals, delivering on the recommendations from the Freud Report and developing the Department's Commissioning Strategy, this White Paper confirms our intention to:

- explore new ways of ensuring that providers offer increased support to those with the greatest needs;
- develop a single employment programme which meets the needs of job seekers and others with a more personalised support path;
- recycle benefit savings to finance more effective support – the 'invest to save' model, as proposed by David Freud; and
- develop the Right to Bid for contracts to provide innovative services.

This chapter confirms our intention to devolve power to communities. It sets out the role of local providers and Jobcentre Plus in developing local delivery arrangements and contains a commitment to working with the devolved administrations. We set out in this chapter the three levels of local devolution that we intend to develop.

This White Paper also confirms our intention to devolve power to individuals, to allow them to design services that fit their needs, not the needs of the system. We confirm that we intend to legislate for a right to control for disabled people. This would allow individuals to make informed decisions about how to use the money available for their support. From 2010 we will pilot the right to control in a small number of trailblazing public authority areas.

This new focus on an empowering welfare state will mean that we can deliver the support that people need more effectively and efficiently. Our providers know their business – they will have the opportunity to deliver a better service for people looking for work. Communities all face different challenges: they must be part of the solution. And giving control to individuals will help them to move more quickly on the path to independence and, where this is right for them, work.

- 3.1 As we noted in our Green Paper, *No one written off: reforming welfare to reward responsibility*, the Government has increasingly delivered services through a wide variety of providers. By drawing on the expertise and experience of the public, private and voluntary sectors, we have improved the quality of service, given individuals more control over the services they receive and achieved better outcomes. This approach has been particularly effective in helping some of the Department's more vulnerable customers, through the provision of specialised and tailored services, to help them overcome particular barriers to work.
- 3.2 Too often in the past, the welfare state has provided a centralised, one size fits all system of support. Not only has this failed to address the more complex and localised sources of disadvantage, it has also tended to stifle innovation. This White Paper confirms our intention to accelerate the devolution of power in the welfare system. We intend:
- to devolve power to providers, drawing on their expertise and innovation to step up the quality and scope of the back-to-work support that we offer to people on benefits;
  - to devolve power to communities, drawing on the understanding of local labour markets and opportunities to provide enhanced support for people returning to work; and
  - to devolve power to individuals, giving disabled people the right to control budgets used for their support and the chance to choose how best to achieve their aims and aspirations, with trailblazers in selected areas.

## Devolving to providers

- 3.3 We are determined to harness the best of all sectors, making full use of the world class service offered by Jobcentre Plus and also using skills agencies, innovative local authorities and private and voluntary organisations. In February 2008, the Department for Work and Pensions published its Commissioning Strategy, which set out our vision for modernising and strengthening the welfare-to-work market. It opens the way for larger, longer contracts with providers rewarded for their success in helping more people into sustained work; where customers receive a more personalised and flexible service; and where delivery of employment support is integrated into local services. These principles are already shaping the commissioning for Phase 1 of the Flexible New Deal, which starts in October 2009.

3.4 We now want to go further. So we will:

- look at whether these principles can help us draw together from providers a single employment programme for people claiming both the Employment and Support Allowance and Jobseeker's Allowance;
- test whether we can increase funds for improving delivery of services by allowing providers to use the benefit savings through their success in helping people into work; and
- explore how we can more effectively align or combine funding pots across government through shared commissioning.

### Greater need: greater support

- 3.5 People who responded to the Green Paper, *No one written off: reforming welfare to reward responsibility*, welcomed the flexibility and opportunity for innovation offered by our commissioning proposals. But there was concern that providers would 'cherry pick' the people who might be easiest to help back into employment and ignore those with the most barriers to work.
- 3.6 We believe that widening the range of providers, and using their specialist expertise, will help improve back-to-work services for everyone. Furthermore we believe we can successfully discourage parking by designing programmes and funding models to properly incentivise providers. We are already doing this in flexible New Deal contracts.
- 3.7 The quality and range of services should also be improved through larger and longer contracts which will attract a broader range of providers. Competition for and within contracts will give them an incentive to drive up performance and the number of people they plan to get into work. The Department for Work and Pensions, in turn, will ensure that providers keep to their commitments, as well as requiring potential suppliers to show how they will provide support for all our customers.
- 3.8 Contract managers will also monitor progress and use customer experience to check on the standards of delivery. There will also be improved customer choice, informed by the experience of earlier participants in the programmes. This will ensure that providers offer a personalised and responsive service to customers.
- 3.9 In addition to increasing support and conditionality, we also want to ensure that support is tailored and flexible. There is good evidence that focusing contracts on their success in getting people back to work helps provide this personalised and flexible service.



- 3.10 The policies outlined in this chapter will allow us to go further in enabling customers and the local community to work with providers to shape effective support. They will encourage greater investment by providers in their staff and in the infrastructure of their organisation. They will go further than ever in ensuring we make maximum use of the expertise and innovation of the private and voluntary sectors to help more of our customers into work.

### Next steps

- 3.11 In this White Paper we set out four approaches to using contracted providers to do more to get more people into work:
- (a) trialling a single employment programme for combined client groups and exploring the feasibility of developing an innovative ‘accelerator’ funding model which, instead of giving providers the same payment for each person they help into work, pays providers more for each individual success as more individuals from particular cohorts of claimants find work;
  - (b) testing whether it is cost effective to reinvest benefit savings when people are helped back into work to improve services through the ‘invest to save’ model, as proposed by David Freud;
  - (c) aligning or combining more effectively government funding for employment and skills support to see if it is more effective in helping the most vulnerable overcome the barriers to work; and
  - (d) supporting innovation through Right to Bid, which will provide an opportunity to test new approaches to the delivery of provision which, if successful, we would scale up.
- 3.12 We also set out three levels of devolution to local communities. These levels represent progressively greater flexibility and discretion to tailor services to meet local needs. Level 1 involves improved influence over contract specifications, full use of the flexibility available within contracts and improved communication between providers and other local bodies. In level 2, funding streams may be arranged in innovative ways to support shared commissioning of services. During this stage of devolution, we would be trying to develop new partnerships to test and improve these provisions.
- 3.13 Level 3 goes further and could include devolving contracting responsibility to local (or sub-regional) partnerships. At this level, money and control would be given to the locality with the Department for Work and Pensions and other parts of central government specifying only the outcomes to be achieved.

- 3.14 This devolution, which is described in more detail later in this chapter, will facilitate efforts to join up services and enable the Department's contracted employment programmes to respond to local needs. We will take this forward through implementation of our published commissioning strategy.

### A single personalised employment programme

- 3.15 The Gregg Review said the vast majority of people claiming out-of-work benefits should be on a path which could lead them back to work. It describes why personalised support needs to be based on individual needs rather than the benefit they are receiving, which is often the case now. Through the Pathways to Work and Flexible New Deal programmes, we are moving towards this approach and now want to see how it can be extended.
- 3.16 As we begin to develop proposals for a simpler benefit system and new personalised conditionality and support, we need to ensure that existing employment programmes evolve to underpin them. Where possible, programmes should aim to remove barriers that providers face in delivering support to people with complex needs. This would allow them to deliver a more personal approach to getting people into work. For example, many young people leaving care, and former offenders, will often need help with 'soft skills' like expectations of workplace behaviours and interpersonal relationship management before they are able to effectively make the transition into employment.
- 3.17 This is why we plan to test a new employment programme from March 2011. This programme will combine Pathways to Work and the Flexible New Deal. It will deliver a single, integrated, flexible employment programme for people claiming both Jobseeker's Allowance and the Employment and Support Allowance. We will also explore whether the proposals for lone parents with children aged three to six can also be tested in this programme. The pilots will enable us to trial the conditionality framework recommended in the Gregg Review, alongside his central recommendation that support should be personalised depending on need rather than the benefit someone receives.
- 3.18 We believe this approach will provide a greater range of support to both groups. It will allow providers greater opportunity to innovate and tailor support to meet the needs of the individual. This will particularly help those with multiple barriers and more complex needs, such as job seekers with health conditions. We will explore ways of more closely aligning this programme to other specialist support such as Progress2Work and the new specialist disability employment programme discussed in Chapter 5. We will ensure that providers continue to take an integrated approach to both employment and skills, working closely with local partners and agencies.

- 3.19 The Gregg Review concluded that concerns that a single programme would see efforts concentrated on the easiest to help could be overcome by contracts which reflect and reward the additional time and money needed to support those with the greatest barriers to work. It suggested that an ‘accelerator/escalator’ model was the most attractive. This would pay providers more for each individual success as more individuals from particular cohorts of claimants find work. This works because people who find work later are likely to be those who have needed to overcome bigger barriers to getting into work. We will explore the feasibility of using this funding model for these multi-client contracts.
- 3.20 We envisage that the pilots would run in two areas and we will work with local partners to ensure that, as far as possible, the test programme reflects local needs. The lessons we learn will help us to inform the design of employment support for all customers as we move forward with welfare reform in the future.

#### Testing innovative approaches for longer-term incapacity benefit claimants

- 3.21 For new claimants, we have already replaced Incapacity Benefit with the Employment and Support Allowance. Between 2010 and 2013, we will transfer all existing IB claimants to ESA. Everyone will get access to support to get better and back in to work, through the Pathways to Work programme. But we want to continue to improve and deepen the support we give, particularly to those who have been out of the labour market for a long time.
- 3.22 So we will:
- take forward the pathfinders for the innovative approach recommended by David Freud to support long-term claimants back into employment, funded using a new financing agreement;
  - seek better to understand and meet the needs of people with mental health conditions; and
  - ensure that we are working together across government to help those facing multiple barriers.
- 3.23 Testing radical new approaches is crucial to break cycles of benefit dependency and to support those who need it most. We are committed to provide ground-breaking, effective support to those who have been claiming incapacity benefits for a number of years. This drives us in the direction advocated by the Gregg Review, exploring new and more effective possibilities for personalised, integrated, individual support, not only for those who are easiest to help, but for all.

- 3.24 David Freud's report<sup>12</sup> to the Department for Work and Pensions in March 2007 recommended harnessing the innovation of the private and voluntary sectors to deliver this personalised support. He proposed using the future benefit savings achieved from supporting claimants back into work to reward those providers. This would allow the Department to reward providers for each extra customer they successfully support into sustainable employment, while also allowing the providers greater freedom to innovate in their methods of support.
- 3.25 We believe that the approach proposed by David Freud could deliver a new level of more effective support, helping to make sure that no one is written off. We will implement his recommendations. As he advised, we will pilot his proposals before rolling them out. This will start in March 2011 with five regions. We expect that these new, primarily outcome-based contracts, by offering the prospect of greater returns, should encourage providers to invest more of their own capital and be more innovative in the way they deliver their support. We will look to use the pathfinders to test the Gregg Review's vision of personalised conditionality for existing customers.
- 3.26 The pathfinders will be underpinned by an innovative 'invest to save' financing agreement between the Department for Work and Pensions and HM Treasury. It is this agreement that will allow the Department to fund payments under these contracts using the benefit savings achieved.
- 3.27 Most longer-term existing customers on incapacity benefits who are in the pathfinder areas will receive this new support after they move across to the Employment and Support Allowance. Those in the Support Group will have the opportunity to take part if they wish but, in keeping with their general treatment in the Employment and Support Allowance, will not be required to take part. The pathfinders will take place in five regions of the country commencing from March 2011. The initial three areas were announced in the Green Paper, *No one written off: reforming welfare to reward responsibility*:
- Greater Manchester;
  - Norfolk; and
  - Lambeth, Southwark and Wandsworth.

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<sup>12</sup> Freud D. (2007). *Reducing dependency, increasing opportunity: options for the future of welfare to work*. Corporate Document Services.

### Right to bid

- 3.28 The Green Paper proposed the establishment of a 'Right to Bid', to reverse our traditional tendering approach, so that outside organisations could bid for contracts where they thought they could improve our services. This will enable bidders, including those who already work with the Department for Work and Pensions and those who do not, to put forward ideas to help improve services for which the Department for Work and Pensions is responsible.
- 3.29 Any innovative proposals which provide evidence to support their success will be considered for piloting.
- 3.30 We expect that, following the launch of the Green Paper, the majority of early Right to Bid applications will focus on improving aspects of welfare-to-work delivery, but it is not restricted to that sector and may relate to any area of our business.
- 3.31 A Bidder's Guide for organisations wishing to develop proposals was published on the Department for Work and Pensions' website on 17 October. The Bidder's Guide outlines the Right to Bid approach and process, and seeks the engagement and commitment of providers. We expect to receive the first proposals in January 2009 and will look to identify the best of these through spring 2009.
- 3.32 Our aim is to make the most effective use of the experience, knowledge and perspectives of the public, private and voluntary sectors in realising our ambitions.

### Devolving to communities

- 3.33 Just as no individuals have the same needs and ambitions, neither do communities. And just as the best way of tailoring advice and support to the needs of individuals is to ensure they play a full part in decisions, so we need to make use of local knowledge and experience wherever possible.
- 3.34 The Green Paper, *No one written off: reforming welfare to reward responsibility*, set out our ambitions to devolve more decision-making and responsibility wherever possible locally and to build new partnerships which will have the chance to innovate to meet local priorities.
- 3.35 We have proposed three levels of devolution which would progressively increase influence and accountability at a local level. We believe that this approach will support activities to better align funding streams and allow local priorities to be met.

## Role of providers, Jobcentre Plus and local partners

- 3.36 Jobcentre Plus is well placed to play a pivotal role to promote and facilitate this better engagement and collaboration between partnerships and providers. Jobcentre Plus District Managers are already included as full partners throughout our commissioning process, and we intend to continue to make full use of their local expertise.
- 3.37 We now want to extend the high level of local consultation, which has been developed through the Pathways to Work and the Flexible New Deal contracting process, to shape the way that we approach all contracting. However, we also are looking for some significant enhancements, building on the proposals set out in the Pre-Budget Report to devolve a comprehensive range of powers and freedoms to city-regions.
- Offering involvement in the Department's commissioning processes from specification design, through to tender evaluation and performance management.
  - Enabling local partners to clearly identify which elements can be targeted to local needs and priorities.
  - The continuing involvement of Jobcentre Plus Districts in identifying the overall needs of local customers and particular areas or problems that need to be addressed.
  - Ensuring the involvement of local partners in all areas – not just those with a City Strategy Partnership.

## Implementing change with local partners

### Level 1

- 3.38 Our new contracting arrangements will give contracted providers both the flexibility and the incentives to develop appropriate tailored solutions to meet individuals' needs. This is a new approach and we believe that we will see the impact of these arrangements over time as contracts 'bed in'.
- 3.39 We will do more to improve our communications with City Strategy Partnerships and other partnerships on the detail of our commissioning processes and involve them in discussions on the performance of Department for Work and Pensions' contracts.

- 3.40 We want the level of consultation which has been developed through the Pathways to Work and Flexible New Deal contracting process to be seen as business as usual across all our employment programme contracting, but with some enhancements.
- Setting out clearly the timeline for future commissioning and our longer-term 2015 vision, so that partners can see the direction of travel: we intend to share this early in 2009.
  - Offering a clear end-to-end process for involvement in the Department for Work and Pensions' commissioning.
  - Making localisation a part of specifications for employment programmes. This will allow local partners to see which elements are part of the national spine and which can be changed locally. This will also make clear to City Strategy Partnerships, Jobcentre Plus, other partnerships and potential bidders the level of involvement in performance management that City Strategy Partnerships and Jobcentre Plus will have.
  - We want providers to play a full role within the delivery of employment and skills plans worked up by City Strategy Partnerships, Multi-Area Agreements, and Local Area Agreements, working closely with Jobcentre Plus within that partnership. We will develop a process and appropriate guidance that makes this clear to all parties.
  - Finally, we want to expand our coverage to ensure we can involve local partners in all areas, not just those with a City Strategy Partnership.
- 3.41 We will look specifically at how our vision fits with the devolved administrations in Scotland and Wales.
- 3.42 From discussions with a number of City Strategy Partnerships and Multi-Area Agreement areas, we believe that being clear about what we expect will deliver much of what many local partners are looking for at level 1. In particular, this will allow a genuine influence and a clear stake in local provision, and a real impact on the services offered to individuals.

#### Level 2 – wraparound services within Department for Work and Pensions' contracts

- 3.43 The prospect of local and sub-regional partnerships adding value to the Department's contracted provision through better alignment of existing funding streams offers considerable scope to develop solutions appropriate to local circumstances. We believe there is real opportunity here to align at a more local level the various funding streams which focus on employment, skills and individual support more closely to Department for Work and Pensions' commissioned provision, including resources from the Working Neighbourhoods Fund (where this is available and in England only).



- 3.44 There are many ways in which level 2 devolution can be delivered. We have experience of developing shared commissioning (sometime known as 'co-commissioning') in delivering skills provision. We described this approach in *Work Skills*:<sup>13</sup> bringing together in England resources from the Learning and Skills Council, the Flexible New Deal and local authority funding. We intend to use the understanding gained from this work to inform future development of shared commissioning. Specifically, we will build on the experience to explore with appropriate City Strategy Partnerships shared commissioning in Phase 2 contracts for the Flexible New Deal.
- 3.45 If we are to proceed with a shared commissioning proposal, we will expect it to be clearly based on evidence. It will need to be actively supported by a credible business case, a firm co-funding offer and robust evidence of a track record. We will also expect clear performance indicators, demonstrable added value and a strong focus on performance management and accountability.
- 3.46 We have already announced in *Work Skills* that we will develop this commissioning approach in a limited number of areas. We are extending these areas to include City Strategy Partnership Areas. In the future, we will expand the approach to include other contracting rounds and developing partnerships such as Multi-Area Agreements. We want to see level 2 devolution, with better joining up of services, better alignment of funding and possible joint funding arrangements operating successfully in a number of areas by 2010 and fully embedded by 2015.

### Level 3 – devolving contracting responsibility to sub-regional partnerships

- 3.47 Level 3 will take this much further, handing over money and responsibility for delivering outcomes to the locality, and will be dependent upon local partners demonstrating further progress against the outlined criteria. the Department for Work and Pensions and other government partners would become a partner in a local procurement exercise, specifying the outcome requirements, but possibly devolving the commissioning, funding and contract management arrangements to a local partner or joint commissioning body.
- 3.48 We intend to move towards level 3 on a managed basis. In discussions, few local partners have asked for level 3 devolution on those terms, and we believe that in the majority of cases level 1 and level 2 devolution will meet the demands of partners and make a real difference to delivery on the ground.

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<sup>13</sup> Department for Work and Pensions and the Department for Innovation, Universities and Skills. (2008). *Work Skills*, Cm 7415.



- 3.49 We are committed to experimenting with a more radical devolution where this will improve outcomes and will work with level 2 areas and within appropriate partnerships to explore their ability and appetite for working in a level 3 model environment. The 2008 Pre-Budget Report announced our proposals for devolution to city-regions and aims for us to agree at least two forerunner city-regions at Budget 2009. In addition, we want to have a number of areas operating successfully at this level by 2015, but we expect to have some partnerships working at this level earlier.
- 3.50 In summary we will:
- Integrate level 1 devolution into all future Department for Work and Pensions' commissioning activities and, for areas without a City Strategy Partnership or developing Multi-Area Agreement, we will look to establish, by 2010, a process that will allow this influence and consultation.
  - Work with named joint commissioning trials announced in Work Skills, City Strategy Partnerships and developing Multi-Area Agreements on activities to join up provision more effectively – level 2 – gradually expanding this approach over time. This will allow the benefits of new contracting arrangements to be better understood and allow existing partnerships to develop the relationships and track records we will require to go further, with our plans to devolve even greater influence over the Department's programmes. We want to see some areas operating at this level by 2010 and for this to be embedded by 2015.
  - In the short-term, look to experiment, where this is manageable, with greater devolution (level 3). We have already said that we are interested in testing this approach within the developing Fit for Work pilot areas, but with the clear intent to work with City Strategy Partnerships and the developing Multi-Area Agreements/city-regions so that over time these areas can progress to level 3. The 2008 Pre-Budget Report announced our proposals for devolution to city-regions and aims for us to agree at least two forerunner city-regions at Budget 2009. We would like to see a number of areas operating at level 3 by 2015, but we expect to have some areas working at this level earlier.

### Adviser discretion

- 3.51 As we noted in the Green Paper, *No one written off: reforming welfare to reward responsibility*, the current Jobcentre Plus adviser regime, based on regular contact with customers, is effective. Advisers already have a considerable degree of freedom and discretion to help their customers but, as the Gregg Review makes clear, we could do more to use their expertise to improve and personalise services.

- 3.52 We have already started to learn from pilot schemes, underway since September in Derbyshire and South West Wales, how we can give advisers increased discretion across the system. These pilots will teach us a lot, and we agree with the Gregg Review that we would benefit from knowing whether increased discretionary funding for Jobcentre Plus advisers during the 'supported jobsearch' stage (between the 6 and 12 month stage) of a Jobseeker's Allowance claim could drive better outcomes. We intend to move quickly to test this concept, but we accept Gregg's recommendation that we should build our evidence base first to understand where increased resource could be deployed effectively to improve performance.
- 3.53 We need to start laying the groundwork for this test as soon as possible. We will therefore extend the current Jobcentre Plus pilots immediately. This will enable us to develop the evidence base on what dimensions of flexibility are important. We will then, as resources allow, build on these pilots to test if additional Jobcentre Plus funding during the 'supported jobsearch' stage of a Jobseeker's Allowance claim, together with an appropriate accountability and contestability framework, could improve the quality and reduce the cost of our provision.

## Devolving to individuals

- 3.54 Empowerment is at the heart of our welfare reforms. We must give individuals control over their lives if we are to free them from a life trapped on benefits. This White Paper confirms that we intend to make progress by:
- legislating for a right to control for disabled people, which will be piloted in trailblazing areas; and
  - developing a right to choose between providers for people on employment programmes.

## A right to control

### Background

- 3.55 As we described in our Green Paper, many disabled people do not have the sort of choice and control over their lives that non-disabled people take for granted. This is partly explained by the fact that, because of their support needs, many disabled people rely on resources made available by the State. As a result, public servants are more often in a position to decide how support will be provided. Too often, services are structured in a way that can reinforce dependency instead of providing support in a way that enables disabled people to achieve their aspirations and access the same opportunities as non-disabled people.
- 3.56 In response to the concerns of disabled people, the Government has committed to providing greater choice and control over the support they receive from the State. Several models have been tested.
- Direct Payments, which have been in place for over a decade, allow users to take a cash payment in lieu of social care services. The 2001 Health and Social Care Act changed the status of Direct Payments, introducing a duty for local authorities to provide social care services as Direct Payments where this is requested by the service user. This means that users have more control over how their support needs are met.
  - Personal budgets originated as an alternative method of providing choice and control over social care funding. Personal budgets allow individuals entitled to social care funding to choose whether they take their budget as a Direct Payment or allow councils to commission services for them, or a mixture of the two, whilst choosing how and by whom their needs are met. Where necessary, users can be supported to make decisions on how to use the budget to which they are entitled. Personal budgets allow individuals to take a wider view of their needs and choose the support they require to meet them. The Department of Health (DH) envisages that by 2011 the majority of people in receipt of social care will have the opportunity to have a personal budget. There are also plans to pilot personal health budgets from 2009.
  - Individual budgets widen the scope of choice and control to include more funding streams. In an individual budget, different funding streams to which a person is entitled are aligned or integrated, allowing the user greater flexibility about how resources are used. As with personal budgets, users can choose to take this monetised budget as cash, services or a mixture of the two. The flexibility of individual budgets allows individuals to tailor the support they receive to meet their needs as a whole, rather than being provided with compartmentalised and fragmented support. The Department for Children Schools and Families and the Department of Health are shortly to begin piloting individual budgets for disabled children.

- 3.57 Recent studies of personal and individual budgets have shown that when disabled people have control over the services they receive it can have benefits for the individual.
- In Control<sup>14</sup> has undertaken evaluations of personal budget schemes for people with learning disabilities and other people receiving social care. In its analysis of users' experiences between 2005 and 2007 it found that over three-quarters of participants felt they had a better quality of life than before they had a personal budget. In addition, 72 per cent believed that they were now more in control of their lives.
  - For two years (2006 to 2007), 13 local authorities took part in an Individual Budget pilot, focusing on users of Adult Social Care. The pilot was led by Department of Health (DH) and also included services funded by the Department of Communities and Local Government (CLG) and the Department for Work and Pensions. Participants included older people as well as working age disabled people with a range of different needs. The evaluation report shows 'individual budgets have the potential to improve outcomes for people without increases in costs, and with increased cost-effectiveness'.<sup>15</sup> Additionally, 67 per cent of individual budget holders reported that they now had higher aspirations. Some groups, however, did not benefit as much as had been hoped from individual budgets and the report also highlighted administrative and legislative barriers to integrating funding streams. The report also found that more evidence is needed on whether the benefits of individual budgets outweigh the costs<sup>16</sup>.
- 3.58 The models and pilots described above focused on users of adult social care. We recognise, however, that the question of choice and control for disabled people extends beyond the fields of social care and health. Many disabled people access a wide range of state funding and services in the course of their everyday lives. Our recent Independent Living Strategy<sup>17</sup> makes clear that independent living involves a wide range of outcomes and that choice and control matter in all aspects of disabled people's lives. It is therefore important that neither social care nor any other service should be the sole 'gateway' to choice and control.

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<sup>14</sup> *In Control*, an organisation set up by the Department of Health and Mencap in 2003, is an organisation supporting local authorities to deliver Self-Directed Support.

<sup>15</sup> Department of Health. (2008). *Moving Forward: Using the Learning from the Individual Budget Pilots - Response to the IBSEN evaluation*. Available at: [http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH\\_089505](http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_089505)

<sup>16</sup> Glendinning C. et al. (2008). *Evaluation of the Individual Budgets Pilot Programme*. Social Policy Research Unit, University of York.

<sup>17</sup> Office for Disability Issues. (2008). *Independent Living: A cross-government strategy about independent living for disabled people*.

- 3.59 We also need to do more to enable effective alignment or integration of different services and funding streams, within an approach that offers choice and control. Our aim is to avoid the fragmentation of support too often experienced by disabled people.

#### Case Study – How the right to control will work

Martin (26) has Attention-Deficit Hyperactivity Disorder (ADHD). He left school at 16 with three GCSEs and has had a series of jobs (mainly working in supermarkets and warehouses), none of which lasted very long because of his poor attendance and challenging behaviour. Martin's main interest is maintaining his motorbike and he has expressed a wish to become a motorbike mechanic.

Martin is told by his Disability Employment Adviser (DEA) that he has the right to control some of the support he receives. The Disability Employment Adviser helps him to write a Support Plan. The Support Plan is broken down into the steps that Martin, helped by his Disability Employment Adviser, thinks need to be taken in order to achieve the overall outcome of achieving sustainable employment. The initial steps are for Martin to use his budget to:

- get help with his behaviour from a cognitive behavioural therapist;
- sign up for an accredited course in motorbike maintenance, using some of his budget to pay for the equipment required; and
- pay the bus fares into town so he can use the internet at the Library (Martin does not have internet access at home) in order to participate in a discussion board for adults with Attention-Deficit Hyperactivity Disorder. This helps him to feel less isolated.

The next stage of his Support Plan will set out what support Martin requires to get and sustain employment.

#### Why create a legal right to control?

- 3.60 In our Green Paper, we asked for views on the ways in which disabled adults could exercise more choice and control over the support they require to go about their daily lives. We have consulted on what form provisions could take and whether legislation would be needed.
- 3.61 Consultation responses favoured the creation of a legislative right for disabled adults to have control over the services they receive from the state. Respondents told us that a right to control would help to ensure that the support disabled

adults require is based on their own needs and ambitions, leading to more satisfactory outcomes. There was a recognition that this is not about changing an individual's entitlement to support, but rather about changing the control people have over how support is delivered. As such, it would represent a shift in the balance of power from the State to the individual, empowering disabled people to take control over their own lives.

- 3.62 As a result of the consultation, our intention is now to create a right to control, rather than a right to request control over funding. It was felt, especially by disabled people receiving state support, that a right to request control would not ensure choice and control for disabled adults, since there would be no obligation on public authorities to honour such a request. However, as affordability and sustainability of services are essential, public authorities will take these into account when making decisions about the availability of the right to control, to ensure public funds are safeguarded.
- 3.63 The intention of the legal right to control is to reflect the fact that a disabled individual is the expert in his or her life. The Government wants to empower disabled people and ensure that choice and control are recognised as a right, not a privilege.
- 3.64 Legislation will provide clarity for both public authorities and disabled people and, in the event of wider roll-out, would help ensure universal and consistent application of the right to control principles.
- 3.65 The Office for Disability Issues report, *Experiences and Expectations of Disabled People*, found that choice and control is important to disabled people, and is positively correlated with an individual's overall satisfaction with services.<sup>18</sup> When disabled people do not have choice and control over the additional support needed to go about their daily lives they can find it difficult to achieve their individual aspirations, or to participate in, and make a contribution to, family life and the wider community. Individual autonomy and the freedom to make one's own choices is one of the guiding principles of the UN Convention on the Rights of Persons with Disabilities. Choice and control is also important to a number of the Convention's provisions.<sup>19</sup> The introduction of a right to control for disabled adults will make an important contribution to ensuring that disabled people's rights are fully recognised and respected.
- 3.66 Authorities taking part in the individual budget pilots reported that they faced legislative barriers to integrating certain services or funding streams. We will consult widely on whether there are legislative barriers that may affect the outcome of the right to control trailblazers, and will take steps to address them where necessary.

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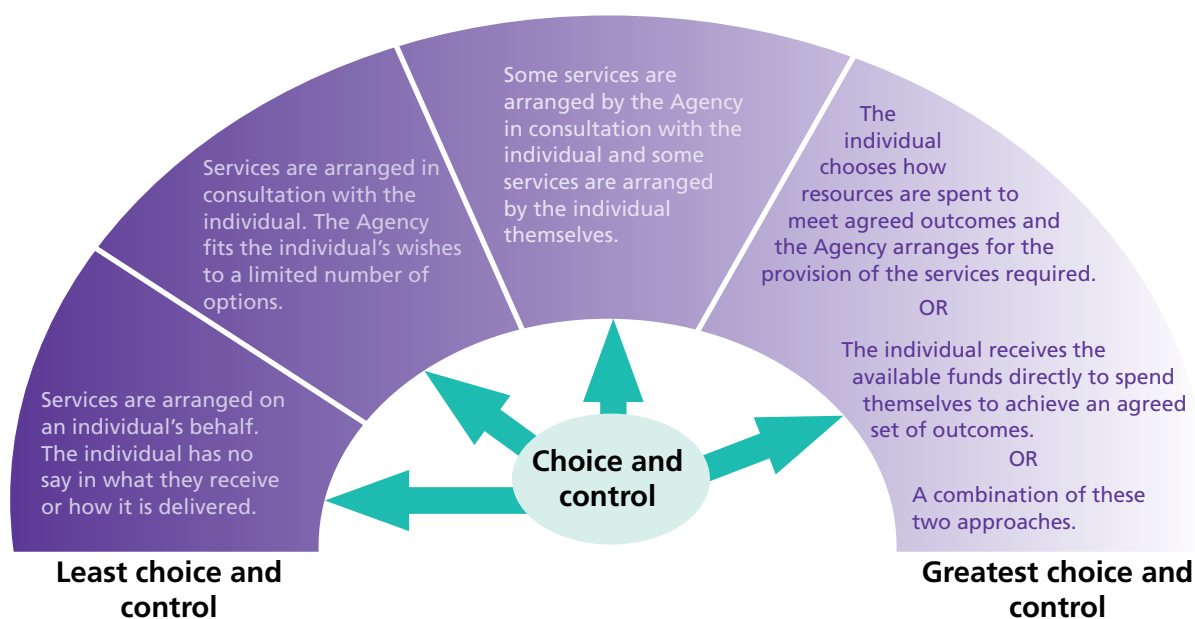
<sup>18</sup> Office for Disability Issues. (2008). *Experiences and Expectations of Disabled People*, pp. 184-185

<sup>19</sup> UN Convention on the Rights of Persons with Disabilities, Articles 3, 19, 20, 24, 27, 29 and 30.

- 3.67 Before making a decision on whether to roll out the right to control nationally, we will test it in trailblazing public bodies. From 2010, we will test how the right will work, how it can deliver the best outcomes for disabled people, and what the costs and benefits are to public authorities. Only if we are satisfied that these pilots work will we take powers to roll out the right to control nationally.

### How will the right to control trailblazers work?

- 3.68 Disabled adults who take part in the right to control trailblazers will be told how much they are eligible to receive in support and will be able to choose how that money is used to achieve outcomes agreed with the State.
- 3.69 In the right to control trailblazers, disabled adults will be able to choose degrees of control over the monetised support they receive. The diagram below illustrates the varying degrees of choice and control that could be offered.



- 3.70 The individual will be able to receive a direct payment, continue to allow the public authority to arrange their support, or use a mixed approach. There will be no compulsion on disabled people to take state funding as cash; if individuals wish to continue receiving services commissioned on their behalf then they will be able so to do.
- 3.71 The right to control will not change entitlement criteria for funding streams. Rather, it is about a disabled person being able to control the support they receive more flexibly, in order to work towards outcomes agreed with the State. If a funding stream already has outcomes set out in legislation these will feature in the individual's agreed outcomes.



- 3.72 Initially, we will pilot the right to control in a small number of trailblazing public authorities. These trailblazers will be used to build the evidence base on the costs and benefits of individual budgets and a right to control. We will encourage innovation and work closely with public authorities, providers and other key local stakeholders to investigate how the right would work on the ground. The Department for Work and Pensions will take steps to ensure that the trailblazers are accessible for disabled adults and include those with moderate to severe learning disabilities and mental health conditions. This will ensure that the trailblazers include a range of disabled people. Evaluation of the initial phase, taking into account a variety of factors, including outcomes and cost-effectiveness, will be used to inform a government decision about wider roll-out.
- 3.73 The initial test phase will take place in England only, but the right to control has the support of the Scottish Government, who will be involved in any subsequent plans for wider roll-out. We are also working closely with the Welsh Assembly Government in looking at whether and how the right could be implemented in Wales.
- 3.74 The right to control would include a range of support and services offered by different UK government departments and public authorities.
- 3.75 However, a right to control will only apply to selected funding streams. Therefore, for the trailblazers, we are developing a set of criteria that could be applied when considering whether funding streams should be included under the right to control. We will consult further and refine these criteria, but our current thinking is that a funding stream should be considered for inclusion if it is accessed by disabled adults and meets criteria including:
- (a) the focus of the funding stream is to enable individuals to overcome barriers associated with illness or impairment;
  - (b) the funding stream seeks to address the additional needs and difficulties experienced by disabled people, thus enabling disabled people to fully participate in all aspects of their lives, including at home, at work and in the community; or
  - (c) inclusion of the funding is likely to have a positive impact on the lives of disabled people and will enable more efficient delivery of services administered by public authorities.



- 3.76 Funding streams will not be included under the right to control either in pilots or in any subsequent extension if:
- (a) the funding stream is paid as a cash benefit, there is little advantage to including benefit payments within the right to control as they are already cash payments; or
  - (b) the funding stream is for a universal service where eligibility is not determined by an individual needs assessment, such as defence, primary and secondary education, public transport, refuse collection, or libraries.
- 3.77 We intend that the funding streams or services to which the right to control applies at any one time will be set out in secondary legislation.
- 3.78 It is important that a right to control should not disadvantage those disabled people who would not want to exercise choice or control over the support they receive and/or who wish to continue to use existing services. The needs and interests of all disabled people will therefore be taken into account when implementing the changes required to operate the trailblazers, evaluate their effectiveness and decide next steps.
- 3.79 Although only disabled people will be entitled to exercise the right to control, services accessed by both disabled and non-disabled people could also potentially be eligible for inclusion. Where a funding stream is accessed by both disabled and non-disabled people, additional criteria will need to apply to that stream to define which users would be entitled to exercise the right. We will consult on what these criteria should be.
- 3.80 Before we commence the trailblazers, the Department for Work and Pensions will consult widely with disabled people, service providers and other stakeholders to establish the best way to achieve the objective of providing choice and control whilst safeguarding and improving services. Stakeholders will be consulted on how Department for Work and Pensions funding, particularly Access to Work, the Independent Living Fund and elements of our specialist disability employment programmes, could be included in the initial trailblazers. The inclusion or alignment of other government services, including the Disabled Facilities Grants and Adult Social Care, will be considered during this phase.
- 3.81 We will consult locally and nationally ahead of the trailblazers to investigate which other sources of support could be included. We will want to enable public authorities to work innovatively, identifying locally administered funding streams that, if necessary, we would then bring within the scope of the pilot through our legislation.

- 3.82 Over time, the right to control framework could enable more funding streams and services to be included. This would be an ongoing process allowing disabled people and public authorities to play a role in suggesting funding streams for inclusion. However, additional funding streams to be included in the right to control would have to be agreed by the Government and defined through a legislative process.
- 3.83 During the trailblazers, it will be important that all disabled people who are entitled to a right to control, including those with limited capacity to take decisions, have choice and control over the support they receive. We also recognise that disabled people choosing to exercise the right to control will be taking on additional responsibilities. Responses to consultation have emphasised the importance of support to enable everyone entitled to a right to control to exercise their right.
- 3.84 In the 2007 cross-sector Concordat *Putting People First* the Government committed to the provision, by 2011, of a universal information, advice and advocacy service both for people who need services and for their carers, including personal advocates for people who require support to articulate their needs and/or to utilise their budget.<sup>20</sup> The Department of Health is also committed to ensuring that, by 2010, each locality has a user-led organisation, and these organisations will play an important role in providing the advice and support that some disabled people will need. We will be working closely with the Department of Health, the Office of the Third Sector and user-led organisations to develop and support advocacy services for those people who access the right to control during the trailblazers.
- 3.85 We recognise that not everyone will want the responsibility of organising and controlling their own support. The right to control trailblazers will enable disabled people to have control over resources but will not require them so to do.
- 3.86 Under the right to control, the presumption should be that public authorities will enable an individual to exercise their right to control except in defined circumstances. Given the need to ensure the sustainability of services and safeguard public funds, these circumstances will include when the right is not affordable. We will consult on other circumstances that should be included.
- 3.87 We will also consult on appropriate mechanisms to enable individuals to seek a review of decisions about the right to control.

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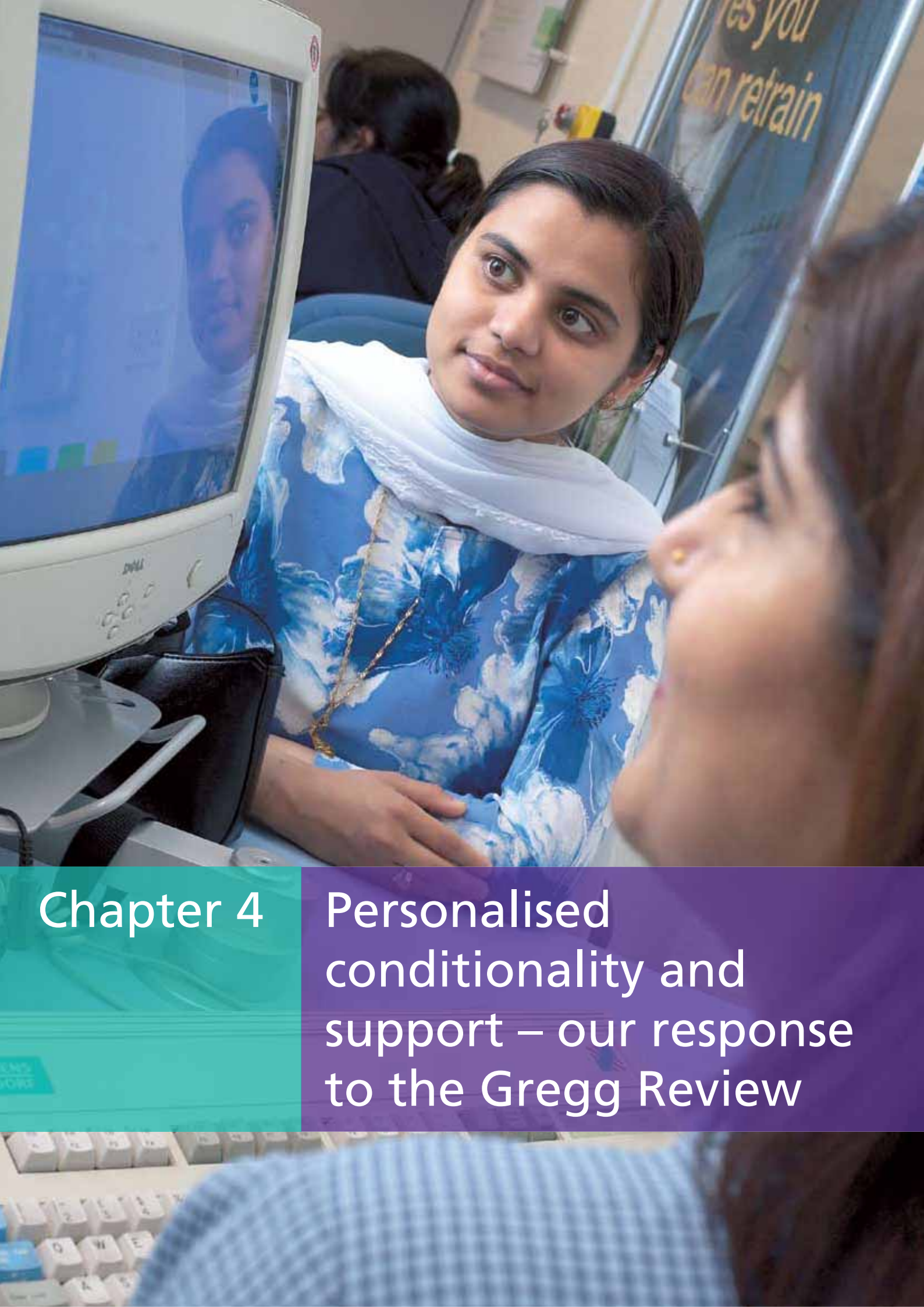
<sup>20</sup> HM Government. (2007). *Putting People First: A shared vision and commitment to the transformation of Adult Social Care*.

### The right to choose between providers

- 3.88 Customer choice is important, not only for individuals, but also as a means of driving performance and quality. We have plans to include a 'customer experience measure' to help customers choose between different providers of employment programmes. We are starting to develop this by undertaking research to explore what is important for our customers in choosing help to get a job.
- 3.89 We will provide information on provider performance, including success in delivering sustained employment and customer experience to help customers make an informed choice. Initially, this will be in some areas where the Flexible New Deal is operating customer choice after the contracts have been operating for 12 months and we have a track record to report.
- 3.90 We have already developed and tested the Star Rating model for Employment Zone contracts and we published the first results in June 2008. We will introduce a Star Rating system for the Flexible New Deal that will measure the performance of each Flexible New Deal contract (and all new programmes in the future).

### Conclusion

- 3.91 Governments cannot personalise services by themselves; instead they need to devolve power to people and providers so they can work out how to meet individuals' needs together. This is why we have increasingly worked with external providers to deliver the specialised and local services that can make a real difference to many of the people who rely on the support of the Department for Work and Pensions. To achieve our objectives, we will need to work with a wide range of providers, including those who already work with the Department for Work and Pensions, along with others from the UK and overseas who have the capacity and skills to deliver high quality provision. We intend to publish further details of our specific engagement strategies over the coming weeks.
- 3.92 We will look at how best to encourage providers to offer greater support to those with the greatest need. We will experiment with broader and more inclusive programmes and pilot recycling money saved in benefit spending to finance better employment services.
- 3.93 We are also devolving power to communities, with three levels of devolution planned for the future. And we recognise that individuals are experts in their own lives. Given power to choose, they can put together a better package of support than the service provided on their behalf. This is why we propose trailblazing a right to control for disabled people, allowing them to make informed decisions about how to use the money available for their support, in the way that suits them.



## Chapter 4

## Personalised conditionality and support – our response to the Gregg Review





## Chapter four – Personalised conditionality and support – our response to the Gregg Review

### Summary

This chapter provides the Government's response to Professor Gregg's Review of conditionality within the benefits system. This Review, *Realising Potential: A Vision for Personalised Conditionality and Support*, which ran alongside the consultation on our Green Paper, provides an important, independent, examination of the expectations which are at the heart of our welfare reforms. We warmly welcome this Review and will work to deliver its vision. Other chapters set out how we will do this.

The Review makes a number of important recommendations about how to make our current systems more effective in supporting people back to work. In particular, the Review recommends that virtually everyone claiming benefit and not in work should be required to engage in activities that will help them to move towards, and then into, employment. There would be two groups of claimants heading back towards employment, but with different requirements being placed upon them that reflect their circumstances:

- the 'Work-Ready' group, who would be expected to meet existing Jobseeker's Allowance conditionality but with certain groups receiving increased support; and
- the 'Progression to Work' group who have a good opportunity to secure employment with time, encouragement and support. This group should face a new set of conditionality requirements based around their co-ownership of the return to work process.

The Review also proposed improvements to the benefit sanctions regime, making the right support available based on need rather than what benefit people are receiving and increased adviser discretion.

This chapter sets out the key findings of the Review and our views on the overall vision. Detailed responses to individual recommendations are also set out in other chapters and in Appendix B.

## Background

- 4.1 These are difficult times for the global economy, which has been hit by shocks of an unprecedented size and nature. Output has fallen in countries across the world, including the UK. The claimant count is rising and the number of people in employment is falling.
- 4.2 The Department for Work and Pensions and Jobcentre Plus are focused on helping those who have lost their jobs to make a swift return to work. Despite a tightening labour market, a large number of job vacancies remain available. Around 220,000 people have moved off Jobseeker's Allowance alone in each of the last two months.
- 4.3 The welfare-to-work support, backed by a framework of conditionality<sup>21</sup> built up over the last 15 years (for job seekers, lone parents, and disabled people or people with a health condition) has proved effective in moving people back to work. These policies must be kept in place to make sure that we do not, as in the last two recessions, condemn tens of thousands of people to virtually permanent inactivity. Many people affected by these past mistakes are still paying the consequences today, through poor health and low incomes.
- 4.4 The Government wants to build on the real strengths of the current system and go further in helping people get back to work. This will help people now and ensure the country is ready to take full advantage when our job market strengthens. This requires a new, more progressive system of conditionality and improved support for everyone of working age.

### Box 4.1: Terms of reference of the Gregg Review:

- To set out a vision for a more personalised conditionality regime – and what this might look like in practice. This should be based on the objective that expectations and potential sanctions are challenging, appropriate and effective – given individuals' needs and circumstances.
- To consider the potential trade-offs and tensions in delivering a more personalised conditionality regime – for instance balancing clear expectations and fair treatment with greater flexibility and discretion.
- To consider the evidence about the impact and effectiveness of conditionality in the UK and from different international regimes – drawing out potential lessons for future reform.

*continued*

<sup>21</sup> Broadly speaking, the labour market requirements that claimants must fulfill to remain entitled to the full amount of benefit.

- To consider the implications of the latest evidence from the fields of behavioural economics and social psychology for conditionality policy.
- To consider what reforms would be needed to the welfare system to deliver a more personalised conditionality regime. These are likely to involve changes both to policy and delivery, but should not be based on proposals with significant additional resource implications.

### The Personalised Conditionality and Support Review

4.5 Professor Gregg looked closely at the current requirements that apply to people on:

- Jobseeker's Allowance – where there is a requirement to be actively seeking and available for work and where a New Deal personal adviser and programme support is available, but normally only if a person has been unable to find a job after a specific period; and
- Income Support and the Employment and Support Allowance – where lone parents, disabled people and people with a health condition do not face Jobseeker's Allowance-style requirements, but are required to participate in a one-off series of Work Focused Interviews, where they are encouraged to join welfare-to-work programmes (such as the New Deal for Lone Parents and the Choices package of the Pathways to Work programme) on a voluntary basis. These are available to join from around the outset of a claim.

4.6 He found that the current regimes, which apply to both sets of claimants, have been effective in helping more people off benefit and into work. The job seekers regime has been highly effective in reducing the numbers of benefit claimants and the Work Focused Interview regime has also had a lot of success, particularly for those closer to the labour market. However, the Review found that there are a number of areas where the current system can be improved as set out in Box 4.2:

#### Box 4.2: Areas for improvement identified by the Gregg Review

The Review suggests that there are five key areas for improvement in the current regime.

- Levels of participation in back-to-work activity among the non-Jobseeker's Allowance groups are relatively low: there is a strong desire to work among large numbers of people in these groups, but levels of take-up for current programmes are very low in comparison with that for Jobseeker's Allowance claimants.

*continued*



- Current conditionality tools for the non-Jobseeker's Allowance group have genuine limitations: we have not yet made the most of the potential power of conditionality. While the Work Focused Interview regime is successful in helping people into support and to find work, it could do more to help those further from the labour market and those who might need a significant period of time before they are fully ready to seek work.
- Some groups in the Jobseeker's Allowance regime need more personalised support: increased flexibility to provide support to some groups on Jobseeker's Allowance would target those most at risk and move more people back into work more quickly, cutting benefit dependency at its root.
- Support can vary significantly across benefit boundaries: this means that it is hard to target support at those furthest from the labour market. Increasing the support and responsibilities available to those who need it will require removing these boundaries and instead providing support on the basis of need.
- The visibility and effectiveness of the sanctions regime could be improved: evidence from behavioural economics suggests that sanctions will only drive behaviour if they are clear, transparent and well understood. The system can do more to provide these things.

### A vision for personalised conditionality and support

- 4.7 To address these areas, Professor Gregg has suggested that the Department for Work and Pensions should set out, and work towards, a more personalised regime of conditionality and support. He argues that a clear statement of this vision would greatly assist longer-term planning within government and among other stakeholders.
- 4.8 The vision set out in Professor Gregg's Review is a radical and ambitious one. For the first time it addresses issues facing all working-age benefit claimants and assesses how the Department for Work and Pensions can best support them into work. The vision moves decisively away from our current approach of engaging with, and having high expectations of, job seekers but leaving most other clients with infrequent contact and lower expectations. Under the approach set out by Professor Gregg, virtually everyone claiming benefits and not in work would eventually:
- have a personal adviser with whom they would be able to agree a route back to work;
  - be obliged to act on the steps they agree with their adviser;
  - have a clear understanding of the expectations placed upon them (and why) and what the consequences are for failing to meet these;

- be able to access a wide range of personal support on the basis of what they need not a benefit label; and
- have a requirement to engage in activity that will help them to move towards, and then into, employment.

- 4.9 While the approach builds on the current system, it also moves clearly beyond it in a positive way. It aims to increase the take-up of personalised help and support for those outside the job seeking regime. In doing so it deepens the expectations we place on many of those who want to get back to work, but at the moment do not receive the help they need. As such, the number of people moving back to work should increase significantly under these proposals.
- 4.10 We agree with each of the key components of this vision, and this White Paper sets out a number of ways in which we are planning to take forward Professor Gregg's recommendations. We intend to move quickly to begin reshaping some of our previously announced pilots. This will enable us to test core elements of the Gregg Review as soon as possible. It will involve testing out the 'Progression to Work' requirements for lone parents and partners with younger children and people claiming the Employment and Support Allowance, described later in this chapter. We also plan to pilot sanctions escalation. We start to set out more details about how we plan to do this in later chapters. Our more detailed response to each of Professor Gregg's recommendations is set out in Appendix B.

### Achieving the vision – realistic expectations, personalised help

- 4.11 In principle, it might have been possible to achieve Professor Gregg's vision by moving all working-age clients to Jobseeker's Allowance and applying job seeking requirements to them. Professor Gregg rules this out as a realistic option.
- 4.12 We agree that a very large majority of those outside the scope of the current Jobseeker's Allowance regime will not be ready to look for work immediately. People in this group need a different, more highly personalised set of requirements because they may have other issues around skills, childcare, disability, their health conditions, debt or housing that need to be addressed. As such, we agree that the Jobseeker's Allowance job seeking regime is appropriate for them.
- 4.13 Rather, Professor Gregg recommends that the best way of achieving this vision is through a single personalised conditionality regime where there is a clear recognition, in law, policy and practice, of two main groups of people. Both will be moving back towards employment, but usually in a very different way and with different requirements applying to them.

#### Box 4.3: The two conditionality groups

The two groups identified by Professor Gregg and the requirements applied to them are as follows.

A 'Work-Ready' group: this group faces a largely rules-based set of conditionality requirements, based around active job seeking and aimed at those able to make a quick return to work. These requirements would be very much based around the current Jobseeker's Allowance job seeking regime. Those in the 'Work-Ready' group should be all those currently required to claim Jobseeker's Allowance and those lone parents and partners with older children who it is proposed should move across to the job seeking regime.

A 'Progression to Work' group: aimed at those for whom a return to work is a possibility with time, encouragement and support and where their conditionality:

- reflects the client's co-ownership of the return-to-work process;
- is tailored to their capability and reflects their circumstances;
- is based on activity that supports the client's own path to work; and
- links up with effective support.

The Gregg Review recommends this group should contain people claiming the Employment and Support Allowance but who are not in the Support Group, and those lone parents and partners with a youngest child aged between one and six.

In addition, the Review recommends identifying a third group of claimants who should not be required to meet any work conditionality requirements. This is because it would not be reasonable for them to undertake any mandatory activity, or because they are already undertaking activity which means taking steps back to work would be inappropriate. This includes individuals meeting the criteria for the Employment and Support Allowance Support Group, lone parents and partners whose youngest child is under 12 months old and carers fulfilling the criteria for Carer's Allowance/carer's premium. This group would not be written off, but moving back into work would remain voluntary.

### The 'Work-Ready' group

- 4.14 We agree with Professor Gregg that the requirements that apply to the 'Work-Ready' group should largely reflect those of the current Jobseeker's Allowance regime. In other words, we need a job seeking system for those expected to make a prompt return to work which is based around:
- an immediate and continuous focus on high levels of jobsearch and an ability to take up work at the earliest possible opportunity;
  - self-directed activity to find work;
  - personal support and programme activity being available, but generally only after a certain length of time on benefit; and
  - increased support accompanied by increasingly strong conditionality requirements.
- 4.15 For the most disadvantaged job seekers, the Review recommended speeding up access to the more personalised and supportive parts of the Jobseeker's Allowance regime. This would apply to homeless people and former offenders as well as disabled people and people with a health condition who are claiming Jobseeker's Allowance. We respond to these recommendations in Chapter 6.

### The 'Progression to Work' group

- 4.16 This is a group of people where a return to work is a reasonable and positive possibility with sufficient time, encouragement and support. Unlike the 'Work-Ready' group, there would not be an expectation that everyone on this path would be actively seeking or available for work. So a different, more personalised conditionality regime is needed, one where individuals agree their path back to work with their personal adviser and start to address barriers and move themselves closer to employment over time.
- 4.17 We agree with the Review that we should start to create this 'Progression to Work' group in legislation, policy and practice. We will look to do so through a forthcoming Welfare Reform Bill. This means creating a new set of four interlocking requirements, asking people in this group to:
- attend Work Focused Interviews with their adviser at appropriate points;
  - agree an action plan with their adviser that sets out the work-related steps they agree to take to help them back to work;
  - undertake the work-related activities that support their own route back towards work; and
  - follow adviser directions as a last resort.

- 4.18 Consistent with this direction of travel, Chapter 6 also covers the proposed approach to assisting lone parents with younger children under the Review's proposals.

#### Box 4.4: The Progression to Work group

Any client entering the 'Progression to Work' group should get support from an allocated adviser from the start of their benefit claim. They should also begin a process of meeting and working with their adviser from early in their claim.

Under this regime, the purpose of the Work Focused Interview would change. The early Work Focused Interviews would not aim to 'sell' the support available and hope that the client would continue to engage on a voluntary basis. Rather the adviser would use them to start to build a good rapport with the client and ensure a deeper exploration of the client's situation, their aims and aspirations.

Later Work Focused Interviews would provide continuing contact to offer support and encouragement and to identify and deal with the barriers to work that claimants face. At the Work Focused Interview, claimants would agree and update their action plan to record the work-related activity they had agreed to undertake between the Work Focused Interviews. The Review suggests this pattern of Work Focused Interviews should continue for the entire duration of the claim to benefit.

The Review also considered the frequency of the Work Focused Interviews. It suggests that it would be helpful to assume a default position for these contacts (perhaps monthly or quarterly). The Review suggested, however, that sufficient flexibility should be given to advisers and clients to agree an appropriate pattern of attendance. This should reflect individual circumstances and the timing of the work-related activity they agree to undertake.

#### Work-related activity

- 4.19 The Review recommends that individuals would be expected to undertake some work-related activity between Work Focused Interviews. This activity, which would be agreed with their adviser, can be anything that both parties agree would support an eventual return to work. Such activity could vary considerably and may, at least at first, have very little directly to do with job seeking. We agree that requirements built up to underpin the 'Progression to Work' group should reflect this understanding within a tailored and supportive regime.

#### Box 4.5: What constitutes work-related activity?

Any activities a person undertakes to:

- stabilise their own or their family's situation, for example, assessing childcare options, activities to stabilise health conditions, seeing a debt adviser about stabilising their financial situation and looking at options for improving their housing situation, or joining a Children's Centre;
- manage their health for work, for example, condition management programmes, drug and alcohol rehabilitation, 'Progress to Work' for drug misusers, or therapy or physiotherapy for a common health condition;
- improve their skills for work, for example, undertaking a basic skills programme, or attending a Jobcentre Plus or external training programme;
- look for work, for example, working with a New Deal for Lone Parents or New Deal for Disabled People adviser to consider job seeking ideas, or independent job search; and
- prepare for full-time employment through work tasters, for example, permitted work, work trials, preparation for self-employment, or part-time working.

#### Action planning for the 'Progression to Work' group

- 4.20 We agree with the Review that, we need to transform the role of the action plan for the 'Progression to Work' group. It should be given a more central, enforceable status in the ongoing discussions between claimants and their advisers. The action plan should cover the agreement with the client to take steps to move towards work search and into employment – even if the timescales for achieving it are uncertain.
- 4.21 The action plan should also set out the specific steps the individual and adviser have agreed will be undertaken between now and the next Work Focused Interview. The action plan therefore embodies the co-operation and shared ownership of the back-to-work process.
- 4.22 Like the Jobseeker's Agreement, it will be important to make sure that people are aware that they must follow the activity they have agreed to undertake. At each subsequent Work Focused Interview the adviser's role would be to monitor progress and review and revise the action plan. This would include setting the next phase of agreed activity. Throughout, the claimant would be required to abide by the action plan, although allowance would need to be made for good cause or if reasonable alternatives had been undertaken.

### Following adviser directions

- 4.23 The 'Progression to Work' path is fundamentally built around a system of encouragement, agreement and shared ownership. However, we agree with the Review that there would be some very limited situations where direction may be required. For example:
- when a client has a proven, significant barrier to work which they have been encouraged to address but have not taken the opportunity to do so;
  - when a client has been sanctioned for failing to undertake any work-related activity; or
  - when a client's return to work activities are proving ineffective and they are unwilling to consider other options.
- 4.24 However, we agree with the Review that direction under the new 'Progression to Work' path would never be used to force clients to apply for specific jobs, attend job interviews, take any particular form of employment, or place a pre-school child into inappropriate childcare against the will of the parent.
- 4.25 Progress towards the vision set out in the Gregg Review should fundamentally change expectations among Jobcentre Plus staff, providers and claimants themselves about what it means to be on benefit. It should also increase employment rates and reduce child poverty. It will make clear the very positive aspirations we have for even more of our claimants and show that we are not prepared to leave people without intensive help and support.
- 4.26 It will also allow the Department for Work and Pensions to bring together its work on a personalised conditionality regime and a simplified benefits system to take final steps towards shaping a fundamentally fair and progressive welfare system for the future.

## Other aspects of the Gregg Review

### Sanctions

- 4.27 To support this vision, the Gregg Review also recommends that we make changes in other areas. In particular it recommends that the sanctions regime should:
- improve the speed of decision-making; this will mean that a sanction is imposed quickly after the behaviour that triggered the sanction;
  - be made clearer through the introduction of early warnings about the risk of a sanction, better communication generally, and, in the future, a move towards a system of fixed fines; and
  - deal better with repeat offenders through a clear and simple system of escalating penalties based around mandatory activity.



- 4.28 In addition, Professor Gregg recommends a root and branch review of sanctions which would include consideration of how to implement the longer-term sanction ideas. Chapter 6 sets out our response to these recommendations.

### Adviser discretion

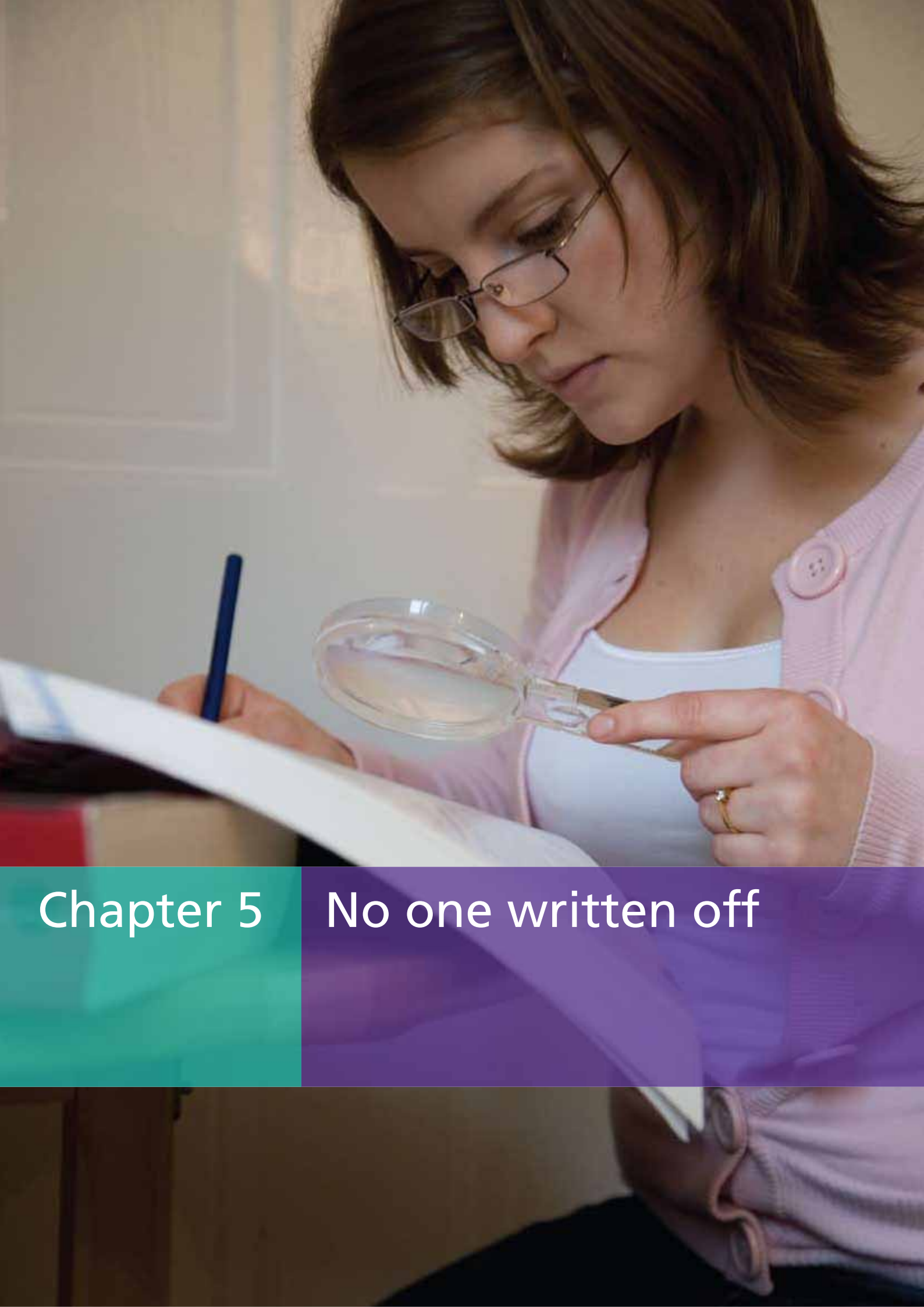
- 4.29 The Review also recommends testing whether giving Jobcentre Plus advisers more discretion could help more people into work or along the path to employment. Chapter 3 includes a section on adviser discretion.
- 4.30 The Review also recommends that the support on offer should be sufficient to help a widening group of individuals who will need support to get back to work. This includes ensuring contracts with providers reflect the differing needs of individuals and their distance from the labour market, rather than simply what benefits they receive. It also suggests that the Work for Your Benefit proposals should build in help with job search and wider support rather than be delivered as a punitive Workfare-type scheme. Chapters 3 and 6 set this out in more detail.

### Working with employers

- 4.31 The Review comments on the importance of actively engaging with employers. Understanding the views and needs of employers – and drawing on their understanding of working life – is essential if we are to deliver the job opportunities which people need. Professor Gregg recommends in particular that we continue to test and evaluate existing initiatives which actively engage with employers. These include Work Trials, Local Employment Partnerships and Access to Work. Chapter 5 sets out how we are building on Local Employment Partnerships and increasing the funding for Access to Work. The Review also recommends further work on our Employment Retention and Advancement pilots.
- 4.32 We will work with employers to explore the potential for building on these recommendations to improve engagement.

## Conclusion: implementing the recommendations of the Review

- 4.33 Professor Gregg's Review provides us with a clear vision of a welfare state based on personalised support and widespread obligations to take up that support. The recommendations of the Review on the regime for job seekers (the 'Work-Ready' group) suggest we are largely already on the right lines. But we will build on the innovative ideas he puts forward for increased support for the most vulnerable job seekers.
- 4.34 His recommendations on how to help those on other benefits through the 'Progression to Work' requirements bring a new focus to the personalised support that must be at the heart of our provision. The action plans, agreed between the individual and his or her adviser, will provide a structure for discussions and clearly understood expectations. The Review's recommendations on sanctions and adviser discretion also bring a new perspective to these hotly debated topics.
- 4.35 We intend to move quickly to begin reshaping our previously planned pilots so that we can test core elements of the Gregg Review. This will involve testing the 'Progression to Work' requirements for lone parents with younger children and new and existing claimants of the Employment and Support Allowance. We also plan to pilot sanctions escalation for those who repeatedly fail to attend interviews. It will also be important that other professionals, families and carers providing support to individuals are encouraged to share these expectations as well. Of course, resources mean we cannot do all this immediately. We set out more details on how we plan to start taking the recommendations forward in the chapters dealing with specific policy changes.



## Chapter 5

## No one written off



## Chapter five – No one written off

### Summary

One consequence of the recessions of the 1980s and early 1990s was that hundred of thousands of people were effectively written off on inactive benefits with no support to get back to work when the job market strengthened. We will not repeat those mistakes now, so that we avoid the long-term social and economic costs that it caused.

Our vision is a society where there is equality for disabled people. We are determined to take the steps needed to help them build their capabilities and increase the power they have over their lives. To support this goal, we have replaced incapacity benefits with the Employment and Support Allowance, and made support through Pathways to Work available nationwide. This has improved the help available to disabled people or people with a health condition who are on benefits. Building on the Green Paper and the Gregg Review proposals, we want to go further in making sure that everyone gets personalised support, with a responsibility that they engage with this support on their own journey back to work.

This White Paper confirms that we will build on this progress by:

- improving the Work Capability Assessment to identify work prospects more effectively and to monitor recovery;
- transferring current incapacity benefits claimants onto the Employment and Support Allowance so they benefit from increased work-related support where they can;
- increasing the requirements on claimants to take up the offer of support in return for benefits;
- providing better support for people who have poor mental health in and out of work, including people who have fluctuating conditions;
- removing barriers to work for disabled people by working with employers and doubling the support provided through Access to Work; and
- increasing support for disabled people and people with health conditions to stay in jobs.

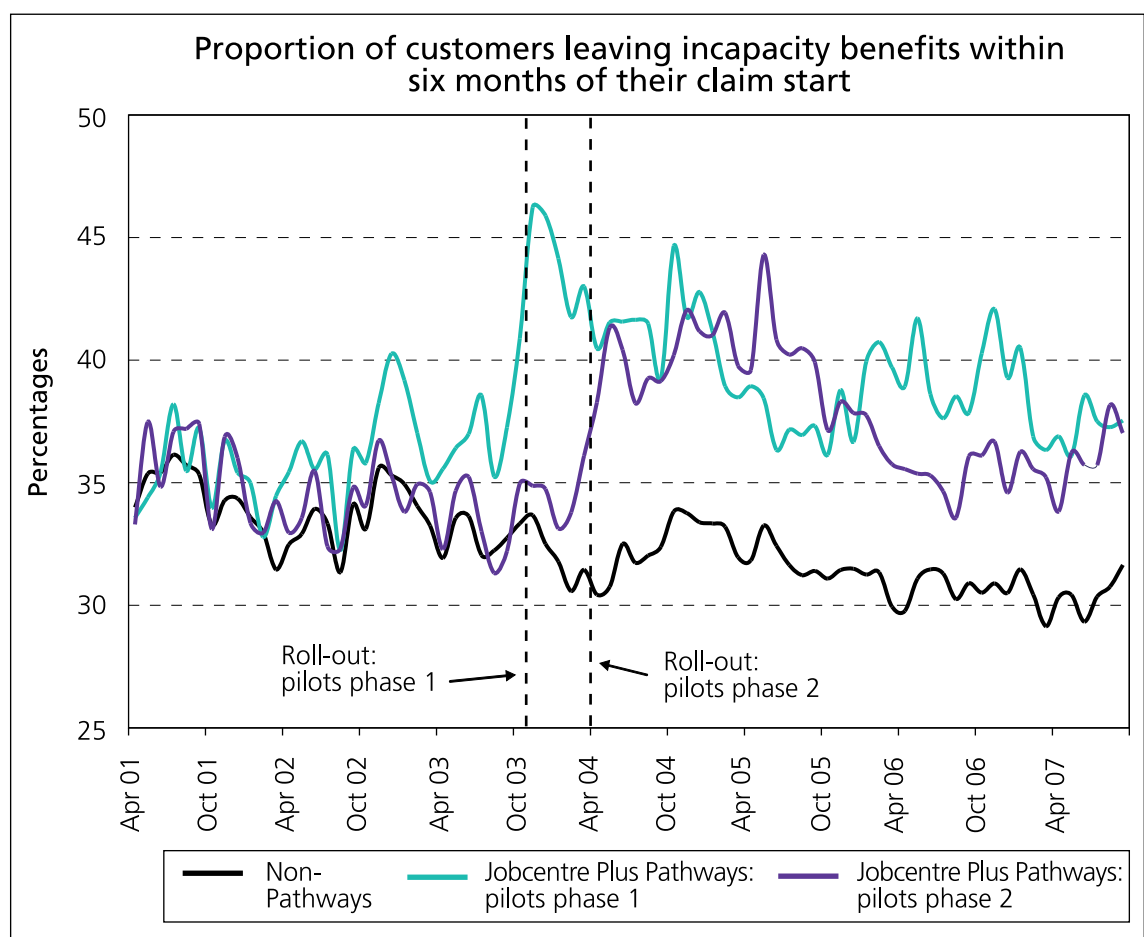
## Context and progress so far

- 5.1 Ensuring we harness everyone's potential is vital to building a fair society, as well as for our economic success as a country. We can only achieve these goals if we help people overcome the barriers which prevent them from working. This is particularly important for disabled people and people with health conditions.
- 5.2 By offering improved and personalised support, we have slowed and reversed the increase in the numbers on incapacity benefits. But with well over two and a half million people still claiming these benefits, we need to step up efforts to provide people with the support they need to return to work. Also, further to the Freud and Gregg reviews, we need to make clear our expectation that claiming incapacity benefits is associated for most people with activity to prepare for a return to work.
- 5.3 By offering more support we will also be meeting the ambitions of those who are on incapacity benefits. Around four in five of those people want or expect to work again. We intend to meet these expectations and have set ourselves the aim of reducing the number of people on incapacity benefits by one million by 2015.
- 5.4 There is no doubt, of course, that the job market will be more difficult in the coming months. This expectation led, in our consultation, to many people expressing doubts about employment prospects for disabled people and those with health conditions. But history underlines the case for increasing rather than relaxing back-to-work support in more difficult times.
- 5.5 In the past, hundreds of thousands of people were moved onto incapacity benefits with no support and little expectation that they would work again. For many, there was too little thought given to what other jobs they could do and no help for them to get these jobs or to retrain. The consequent lack of support and expectation meant that temporary job-loss became permanent, even when the labour market strengthened. We are determined not to repeat this mistake and to ensure that no one who can work is consigned to a life on benefits.
- 5.6 In welcoming the Gregg Review, we agree that active engagement and support for disabled people and people with health conditions is the best way of moving towards this vision. So we are improving medical assessments to ensure the right level of support can be offered and to make sure demands are not placed on anyone which might worsen their condition.
- 5.7 In light of the consultation responses received and the Gregg Review recommendations, we can confirm that we will not be placing a requirement on anyone receiving the Employment and Support Allowance to actively seek work or apply for any job. We also agree that we should not require anyone with the most severe conditions to do any work-related activity at all. But for the rest, we intend to legislate so that we can implement the Gregg vision in full, rolling this out gradually, initially through a series of pathfinders. These will test the new work-related activity requirements so that expectations and requirements will

be tailored to individual circumstances and based on a relationship of co-operation and trust between the personal adviser and the claimant. We agree with the Review's analysis of the strengths of our current conditionality and support regime which gives us a lead over most of the rest of the developed world.

- 5.8 There is considerable progress to build on. We have strengthened rights for disabled people and we have introduced the New Deal for Disabled People. Our Pathways to Work programme, an innovative and personalised approach to supporting disabled people and people with health conditions into employment, has improved the chances of a new claimant being in work after 18 months by 25 per cent.<sup>22</sup> Chart 5.1 illustrates the success of the Pathways to Work programme.

Chart 5.1: The success of Pathways to Work



<sup>22</sup> Bewley H., Dorsett R. and Haile G. (2007). *The Impact of Pathways to Work*. Department for Work and Pensions Research Report No 435.



- 5.9 Pathways to Work has been internationally recognised for its success in supporting disabled people and people with health conditions into work. We have also increased support for disabled people to stay in work. In October 2008, we introduced the Employment and Support Allowance, a completely new benefit which has replaced incapacity benefits for new customers as described in Box 5.1.

#### Box 5.1: The Employment and Support Allowance

The Employment and Support Allowance was introduced in October 2008 to replace incapacity benefits (Incapacity Benefit and Income Support) for new customers. It provides a personalised programme of support, helping people to manage their health conditions and prepare for a return to work. For the vast majority, it is intended to be a temporary benefit which helps people make the most of their abilities. While protecting those with the most severe conditions, the new benefit ensures that people receive the personalised support they need to return to work.

Following introduction of the new Work Capability Assessment, focusing on what people can do as well as what they cannot do, we expect around 90 per cent of claimants to be placed in the Work Related Activity Group. People in the group take part in Work Focused Interviews, draw up action plans with a personal adviser and have access to a range of support under the Pathways to Work programme. In return for this help, they are encouraged to take up opportunities to prepare for work.

A minority of claimants, those with the most severe disabilities or health conditions, will be placed in the Support Group. These claimants are not required to take part in work-related activity. However, they receive extra financial help and have access to support through Pathways to Work on a voluntary basis.

- 5.10 However, we accept the analysis of the Gregg Review that too many of those claiming incapacity benefits or the Employment and Support Allowance still do not engage in back-to-work activity. This is bad for them and bad for the country. So we are going to reform the system to ensure the right people are on the right benefit; and that they get the right support. This will involve better health assessments, individual Work Focused Interviews to arrive at the appropriate support and work-related activity focused on helping people to prepare for a return to employment. Those now on incapacity benefits will gradually be moved onto the Employment and Support Allowance on which, over time, they will benefit from the increased support. Nothing will be required of people which would damage their health or put back their recovery. But for those who could work there will be increased obligations on them to take up the help on offer, including activity to address their employment related skills needs, with better links to pre-employment and in-work training.

- 5.11 We also recognise the importance of supporting people, including disabled people and people with health conditions, to remain in work. Keeping people well and in work has obvious benefits: protection against financial hardship, promoting a better quality of life and allowing people to make the most of their potential. Conversely, being out of work can exacerbate physical and mental health conditions and increase the chance of social exclusion.

## Claiming the Employment and Support Allowance

- 5.12 Now that the Employment and Support Allowance is in place, we are committed to ensuring that the routes onto the benefit are fair, accurate and run smoothly. This is why we are reviewing the medical assessment, as outlined in the Green Paper.

### Reviewing the medical assessment

- 5.13 Continued advances in medical treatment mean that some conditions, which previously caused a high level of impairment, can be managed more effectively. Workplaces are always changing and new kinds of employment and opportunities are being created. The Disability Discrimination Act has strengthened employers' responsibilities towards disabled people. Schemes such as Access to Work are offering support to make work available to many individuals to whom it was previously denied.
- 5.14 This progress has enabled us to introduce the Work Capability Assessment, which is designed to identify those able to look for work immediately (who should not be on the Employment and Support Allowance); those whose condition means they should be able to return to work with appropriate support and encouragement; and those whose illness or disability means they are not currently able to prepare for work (the Support Group).
- 5.15 Some responses to our consultation questioned the effectiveness of the Work Capability Assessment. As with all new processes, we are committed to monitoring it. The law already provides for an independent review of the Work Capability Assessment every year for the first five years, but we will also evaluate how effectively it is in identifying the level of disability and health conditions among claimants throughout next year, and will publish a report. This will include suggestions to refine the assessment if required and recommendations on how it could be changed to better take account of people's adaptation to their condition. We envisage that, as a result of these recommended changes, there will be around a 10 percentage point increase in those considered able to look for a wide range of jobs straight away and thus be eligible for Jobseeker's Allowance.

## Employment and Support Allowance as a temporary benefit for the majority

- 5.16 We have changed the emphasis so that the Employment and Support Allowance is seen as a temporary benefit for the majority, with most claimants expected to move back into work within two years. We will take steps to reinforce this principle.
- 5.17 The Work Focused Health Related Assessment currently provides an opportunity for individuals to discuss their situation with a healthcare professional. We will undertake repeated and revised Work Focused Health Related Assessments to expand this interaction. These will focus on why people have had difficulties adapting or moving towards work and provide the opportunity to draw up a more detailed plan of what work might best suit them, to guide individuals and their personal adviser in their preparation for work.
- 5.18 As well as looking at how individual claimants are working with healthcare professionals, we will establish a maximum period of two years between medical assessments and look at the process by which renewals are handled to make sure that people do not remain on benefit longer than they need to. We will also consider how cases are reviewed once entitlement has been determined and look at the process by which renewals are made. The measures we are pursuing to reduce time spent on the Employment and Support Allowance create new opportunities to help get people closer to work.

## New Employment and Support Allowance customers: extending support

- 5.19 When people are unable to work due to a health condition or disability, the Employment and Support Allowance must meet their needs as quickly and as comprehensively as possible. As evidence shows, work is generally good for your health. No one should be cut off from the labour market when they may be able to work in the future.

### A personalised, work-focused approach

- 5.20 We had a very positive consultation response to our focus on personalised support, tailored to individual circumstances. This focus was also backed by the Gregg Review. This White Paper confirms our intention to proceed with the Green Paper proposals, informed by the Gregg review, including:

- a series of Work Focused Interviews, extended to the two-year point of a claim to provide a longer, more comprehensive framework of engagement with personal adviser;
  - in pathfinder areas, an action plan agreed by the customer together with a personal adviser, outlining appropriate activities that will help the customer move towards work; and
  - in pathfinder areas, a requirement for individuals to show that they have been undertaking activities that support their own route back towards work, between Work Focused Interviews, including a requirement to undertake activities specified by a personal adviser in some cases.
- 5.21 In return for this extra support, there will be new requirements to take up the help on offer which will be backed up by sanctions. These could include a reduction of benefit payments.

### Work Focused Interviews

- 5.22 We want to build on the approaches that work best. Central to our successful Pathways to Work programme are Work Focused Interviews, where customers meet with a personal adviser. They discuss ways in which the customer might be able to move towards work, and draw up an action plan. The adviser explains what extra support is available to the customer.
- 5.23 Independent evaluation of the Pathways to Work programme highlights the importance of the relationship between customers and personal advisers. Customers were found to generally value the role of advisers, especially when they addressed practical concerns.<sup>23</sup>
- 5.24 Employment and Support Allowance customers currently have six Work Focused Interviews with a personal adviser between roughly the two and eight month points of their claim. We know that having a series of interviews is important to build up trust and understanding between customers and personal advisers.<sup>24</sup>
- 5.25 Many people will succeed in moving off benefits within this period. For those who face more significant barriers, from late 2010, we will increase the duration of the personalised support programme for new Employment and Support Allowance customers. After the first six Work Focused Interviews, claimants will have a further interview every three months, until the point where they have been on benefit for two years. In light of the Gregg Review recommendations we will look to ensure that the exact timing of Work Focused Interviews would be agreed between advisers and claimants to fit their circumstances.

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<sup>23</sup> Dorsett R. (2008). *Pathways to Work for new and repeat incapacity benefits claimants: Evaluation synthesis report*. Department for Work and Pensions Research Report No 525.

<sup>24</sup> *ibid.*

### Action plans

- 5.26 Professor Gregg's 'Progression to Work' path envisages a system which offers support, but requires people to engage in return. We want to run eight pathfinders across the country which will test out how we can make this work.
- 5.27 The Gregg Review has proposed that action plans owned jointly by the adviser and the customer should become more central to return-to-work efforts. We agree. This White Paper confirms our intention to strengthen the role of action plans which will play a key role in guiding work-related activity. Any appropriate activities which would help the customer back to work should be agreed by the individual and their adviser. Activities would then be recorded in the action plan. There would be a commitment to undertake at least one of the activities that has been written in the action plan. This helps claimants and advisers understand clearly what the requirements are. We would not ask anyone to do anything that is unreasonable or inappropriate, and would review the action plan regularly, in line with the customer's needs.

### Work-related activity

- 5.28 To match extra support with higher expectations, we will introduce further reforms to the Employment and Support Allowance. From late 2010, we will test out Professor Gregg's vision of progression to work through eight pathfinders. As part of this, we will ask new Employment and Support Allowance customers to undertake work-related activity appropriate to their situation, so that they can move towards a return to work.
- 5.29 In these areas, with the help of a personal adviser, claimants will decide what kind of activity would be most suitable and beneficial for them, taking their disability or health condition into account. For those with particular skills needs, or who are problem drug users, we will actively identify the extra support they need, where appropriate, for example through skills assessments or interviews with a drug treatment provider. If claimants do not take part in any activity to address their barriers to work, without good cause, they may be sanctioned.

### Higher expectations

- 5.30 We want to support claimants to choose their own programme of work-related activity, as we recognise they know their own individual circumstances, needs and goals best. However, a minority may need more guidance. The activities they choose may prove to be ineffective over a sustained period of time. An even smaller number may refuse to co-operate with support from which they could benefit. They may deliberately choose ineffective activities, or not take part at all.

- 5.31 The Gregg Review recommended that conditionality should be based around encouragement, co-operation and co-ownership. Nonetheless, it also recognised that on occasions the conditionality would need to be stepped up where people consistently fail to engage effectively with the personalised support regime. In line with this proposal, we are introducing legislation which will allow personal advisers, where a claimant is not complying with the requirements, where they have particular needs such as skill needs or they are problem drug users, or they are not addressing their main barriers to work, to decide the appropriate activity. In these cases, claimants will be required to take part in the specific activity their adviser has chosen.
- 5.32 We want to make sure that people's barriers to work are identified as early as possible, because we believe that early support is most effective in getting someone back to work in the long-term. To this end, we will seek to engage early with those who we think could benefit from skills or drugs interventions. In the Green Paper, *No-one written off: reforming welfare to reward responsibility*, we consulted on when we should require those who start to claim the Employment and Support Allowance to identify their skills needs, and whether we should subsequently make full receipt of benefit conditional on attending relevant and appropriate training. We have built these requirements into our overall framework for specific work-related activity.
- 5.33 Following an initial Skills screen by Jobcentre Plus, people with skills needs will be referred to the Adult Advancement and Careers Service, when operational from autumn 2010, who will conduct an in-depth skills health check to identify the specific skills needs for that person. People with very obvious language, literacy or numeracy needs will be referred directly for a Basic Skills assessment. The personal adviser would then discuss the results of this health check or assessment with the claimant, and encourage them to consider the action recommended. Where a claimant refuses to take any action to address those needs, and does not undertake anything else that is relevant or effective, we will give advisers the power to require them to do the activity set out, in appropriate circumstances.
- 5.34 Similarly, people who have declared they are, or who we think are, problem drug users, will be referred for an initial health assessment with a healthcare professional who will decide whether the individual has a heroin or cocaine problem, and will determine whether they should be referred to the new programme for problem drug users.
- 5.35 While drugs and skills barriers are ones which we want to address urgently, we agree with Professor Gregg that we should also give personal advisers the capacity to mandate customers to a specific activity in other cases as well. We believe that it is not right for some claimants who are unwilling to engage, or who deliberately try to avoid addressing their main barriers to work, to be able to continue doing so. In these circumstances, the adviser will also be able to require the claimant to do something specific, to ensure their barriers to work are addressed.

- 5.36 We will ensure that a clear and comprehensive set of safeguards are built into the support we offer, making sure claimants are not required to undertake inappropriate activities. In particular, this power would never be used to force claimants to apply for or take up specific jobs, or to undergo medical treatments that would clearly fall foul of human rights legislation or violate medical ethics, professional codes of practice or clinical governance. We would also be clear about when sanctions would apply, so that people do not misunderstand them, or are sanctioned unfairly. The success of Pathways to Work is based on a supportive and co-operative relationship between the claimant and adviser. This is something which we want to preserve while ensuring that people are progressing towards work.
- 5.37 There were some responses to the consultation which questioned whether sanctions and work-related activity requirements were effective. We have recently published research that shows that conditionality can have a measurable impact on the likelihood of returning to work,<sup>25</sup> but we are aware that this is new territory. This is why we intend to run pathfinders to test the effects of requiring more of customers, while providing a much more engaged service.

### Community Allowance pilots

- 5.38 Community Allowance is a scheme proposed by CREATE, a consortium of organisations, where benefit claimants would undertake paid work to benefit the community in which they live, while continuing to receive benefit payments.
- 5.39 We are committed to giving disabled people or people with health conditions the opportunity to try out work while still on benefit, to help them move into work. Working with the Department of Communities and Local Government (DCLG), we have agreed that CREATE can pilot Community Allowance within the existing Employment and Support Allowance system.
- 5.40 If pilots show that Community Allowance improves the Employment and Support Allowance customers' chances of moving into work and off benefit, we will consider introducing it on a larger scale.
- 5.41 We will continue to work with the Department of Communities and Local Government to consider how we can work with other local partnerships and voluntary sector organisations to test how community and voluntary work opportunities can benefit a wider range and number of out-of-work claimants, both improving their personal circumstances and the community in which they live.

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<sup>25</sup> Department for Work and Pensions. (2008). *More Support, higher expectations: the role of conditionality in improving employment outcomes*. TSO.



## Moving to the Employment and Support Allowance

- 5.42 Our reforms have transformed back-to-work support for disabled people and people with health conditions. In 1997, very little help was available for those on incapacity benefits. Since then, we have moved from piloting the Pathways to Work programme of personalised support to making it available to all incapacity benefits customers nationwide.
- 5.43 However, we want to go further still. While we expect all new Employment and Support Allowance customers to take part in Pathways to Work, around two million people (out of the 2.6 million on incapacity benefits) have not, unless they volunteered to take part, gained access to the personalised support that could help them. It is not right that people on incapacity benefits should continue to be left behind. Many have been out of work for a number of years and many have lost contact with the labour market. Often, they will lack the skills and confidence that they need to return to work.
- 5.44 This is why we set out in the Green Paper, *No-one written off: reforming welfare to reward responsibility*, our plans to transfer all claimants from incapacity benefits to the new Employment and Support Allowance between 2010 and 2013. As part of this process, they will undertake the new Work Capability Assessment which includes the Work-Focused Health Related Assessment. In this way, we can ensure that the right people are claiming the right benefit and that they receive the best personalised support possible. It will allow those with the greatest needs to receive the higher level of benefit paid to the Support Group. We will ensure that the transition from Incapacity Benefit to the Employment and Support Allowance runs smoothly, fits within our overall programme and that our plans are flexible enough to adapt to changing economic circumstances as necessary.

## Smoothing the transition to the Employment and Support Allowance

- 5.45 Employment and Support Allowance is a new benefit with a very different structure of rates and allowances. Over time, we believe it is fair to make sure that everyone receiving benefit because of sickness and disability is treated equally. This White Paper confirms that we will begin the process of aligning rates from April 2009. This will smooth the transition of existing incapacity benefits claimants moving to the Employment and Support Allowance, as we proposed in the Green Paper.

- 5.46 All those on contributory Incapacity Benefit without an age addition, will have their benefit uprated by the Rossi index<sup>26</sup> from 2009 instead of the Retail Prices Index (RPI). This aligns their uprating arrangements with the Employment and Support Allowance, Jobseeker's Allowance, and Income Support, and is a significant simplification. It also means that their benefit will be higher than it otherwise would have been in the next few years. Longer-term Incapacity Benefit customers will also benefit from the increase in the Christmas Bonus this year from £10 to £60.
- 5.47 The Incapacity Benefit age additions do not exist in the Employment and Support Allowance and are a key misalignment between the benefits. Age additions served to compensate people on Incapacity Benefit for the earlier onset of incapacity. However, we no longer presume that these people will never work again simply because they became ill at a certain age. In Employment and Support Allowance we target those in greatest need through higher benefit rates in the Support Group.
- 5.48 For all those on contributory Incapacity Benefit with an age addition, the Green Paper proposed that many would receive no cash increase in their overall benefit because their benefit would be higher than the amounts payable to people on ESA. However, this proposal raised concerns in the consultation responses and the economic climate has become more difficult since the Green Paper. We have therefore decided they should receive a cash increase in their overall benefit, despite the difficult fiscal position we face. The cash increase in their overall benefit from 2009 will be half of Rossi. This will begin the process of achieving alignment with ESA.

### Support for existing customers moving to the Employment and Support Allowance

- 5.49 As people move from incapacity benefits to the Employment and Support Allowance, we want to make sure that they benefit from the personalised back-to-work support on offer. In the Green Paper, *No-one written off: reforming welfare to reward responsibility*, we said that we would extend support through the Pathways to Work programme to all existing claimants under the age of 50, while testing the most effective approach for those who are over 50. Our goal of a more personalised support system is supported by the Gregg Review and received many positive responses in our consultation. We now want to take these reforms forward to create a truly active Employment and Support Allowance which consistently supports employment outcomes and reinforces the expectation of work for people, no matter how long they have been on the benefit.

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<sup>26</sup> The Retail Price Index less housing costs.

- 5.50 Evidence shows that an approach like Pathways to Work can work for existing customers. Pathways to Work pilots for existing claimants have shown that, with the right support, even those who have been claiming incapacity benefits for a number of years can move into employment. For those who had a Work Focused Interview within the first six months of the pilots, the chance of being in work after 18 months was increased by three to four percentage points.<sup>27</sup>
- 5.51 However, we don't believe that the same interventions will work in all circumstances, and for that reason we are proposing a range of approaches. As well as extending Pathways to Work support to existing customers, we will test new approaches to see what works best.
- For existing claimants aged under 50, a Pathways to Work style approach, including a series of mandatory Work Focused Interviews.
  - A less intensive regime of Work Focused Interviews for most existing customers aged over 50, with a piloted regime to seek further evidence on what approaches might be most effective for this group.
  - Five larger-scale pathfinders, funded via an innovative arrangement with the Treasury, that will test how we can best help those who have been on benefit the longest not only to get jobs, but also to stay in them. We will also look to test the Gregg vision for personalised conditionality with existing customers through these pathfinders. These pathfinders are discussed in Chapter 3.

#### Pathways to Work – support for existing customers under 50

- 5.52 As people are transferred from incapacity benefits to the Employment and Support Allowance, we will ensure all those placed in the Work Related Activity Group are given a personalised programme of back-to-work support based on the successful Pathways to Work extension pilots. The mandatory element of the programme will be less intensive than for new Employment and Support Allowance claimants; they will only be required to take part in three Work Focused Interviews and can take up voluntary provision during this time. Many will never have engaged with Pathways to Work before. We therefore believe that this is a significant but reasonable step towards better engagement with these customers. It will also allow us to gather more evidence on what works best before looking at whether, in the future, we might ask all clients to engage with us further.

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<sup>27</sup> Bewley H., Dorsett R. and Ratto M. (2008). *Evidence on the effect of Pathways to Work on existing claimants*. Department for Work and Pensions Research Report No 488.

- 5.53 Participating in three Work Focused Interviews will be the minimum engagement required of existing customers. All customers will continue to have access to Pathways to Work support on a voluntary basis once the three interviews have taken place. Customers placed in the Support Group will also be able to access Pathways to Work if they wish.

#### Existing customers over the age of 50

- 5.54 Economic and demographic change makes it crucial that we do not write off older people. We have outlawed age discrimination in employment and we are committed to increasing employment opportunities for older workers. However, people over the age of 50 may have more complex barriers to work. In addition, analysis consistently shows that Pathways to Work has a stronger effect on increasing employment and reducing benefit receipt among younger claimants.<sup>28</sup> So we will adopt a more flexible approach for existing incapacity benefits claimants in the over 50 age group.
- 5.55 We want to ensure that everyone has the opportunity to engage with us – and to require some participation so that we have the chance to explain to everyone what support is on offer. Therefore, most existing claimants over the age of 50 will be offered a single Work Focused Interview, with the opportunity to take up further support on a voluntary basis. However, we will also be undertaking an additional pilot to assess the specific barriers to employment these claimants face, and to test and gather evidence on what support works best to address these barriers. This will also help us to explore the recommendations of the Gregg Review.

### Promoting opportunity and equality

- 5.56 As we support disabled people and people with health conditions to move from inactivity to work we want to ensure they have the same opportunities to develop fulfilling working lives as non-disabled people. To do so we need to ensure that we have the right legislation in place to prevent discrimination. At the same time we need to work with employers so they understand the talent and potential that people in these groups can bring to the workplace.

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<sup>28</sup> Bewley H., Dorsett R. and Haile G. (2007). *The Impact of Pathways to Work*. Department for Work and Pensions Research Report No 435. Bewley H., Dorsett R. and Ratto M. (2008). *Evidence on the effect of Pathways to Work on existing claimants*. Department for Work and Pensions Research Report No 488.

## Disability Equality Duty

- 5.57 We have continued to work to reduce the barriers faced by disabled people. Legislation already in place<sup>29</sup> protects disabled people against discrimination in key areas. These areas include work, schools, and access to services such as shops and restaurants.
- 5.58 In 2005, the legislation was amended to place a Disability Equality Duty on all public authorities (including government departments and local authorities). This general duty came into effect in December 2006. Public authorities now have to take account of the needs of disabled people when carrying out their business. The duty requires public authorities to have due regard to:
- eliminating unlawful discrimination and disability-related harassment of disabled people;
  - promoting equality of opportunity and positive attitudes towards disabled people;
  - taking steps to meet disabled people's needs, even if this requires more favourable treatment; and
  - encouraging the participation of disabled people in public life.
- 5.59 In addition, there are specific duties under which, for example, listed public authorities are required to publish disability equality schemes setting out how they will carry out the Disability Equality Duty, monitor and report on progress and how they have involved disabled people in producing their schemes.

## The Equality Bill

- 5.60 The Government is also working to streamline and strengthen existing discrimination rules, regulations and legislation. Over the last 40 years, a substantial body of equality legislation has built up protecting millions of people from discrimination and promoting greater equality. However, this legislation, including disability legislation, has become increasingly complex and difficult to understand. There are also some gaps in protection, including against age discrimination, in the provision of goods, facilities and services.
- 5.61 The Office for Disability Issues is working with the Government Equalities Office and other government departments to develop a single Equality Bill that will deliver a streamlined and strengthened legal framework.

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<sup>29</sup> The Disability Discrimination Act 1995, as amended (DDA).

## Working with employers

- 5.62 Respondents to our Green Paper stressed the importance of a partnership with employers in our welfare to work programmes. We recognise the need to make sure that our programmes are delivering the skills and qualities that employers need. We also understand the need to work with employers to make sure that vulnerable people get a fair chance in the labour market.
- 5.63 The Disability Discrimination Act (DDA) has done much to increase employers' awareness of the need for them not to discriminate against disabled people. However, legislation alone does not open up enough opportunities for disabled people or employers. Many employers who are aware of DDA requirements, particularly larger organisations, have tended to design their recruitment and retention processes defensively, to avoid litigation. Also recent research<sup>30</sup> has shown that small to medium-sized enterprise employers questioned knew little or nothing about employing disabled people.
- 5.64 We know that the overwhelming majority of employers do not set out to discriminate against disabled people in their recruitment and retention decisions. Too often, however, a lack of good advice has resulted in unintended discrimination and negative attitudes towards disabled people.
- 5.65 We want to see employers of all sizes adopt a more flexible and informed approach to employing disabled people. Such an approach, based on an understanding of the skills, knowledge and expertise that disabled people can bring to the job, will promote better opportunities for all disabled people. Our reforms, which focus on what disabled people are able to do, will help employers to appreciate this vast reserve of untapped potential.
- 5.66 We have asked employers already committed to recruiting and retaining disabled people, what more could be done to persuade other employers to develop and sustain the same commitment. They gave us two important messages:
- employers take more notice of the ideas of other employers and their support organisations than they do of government and pressure groups. So, we need an employer-led national campaign to engage more employers to recruit and retain disabled people; and
  - we need to work more effectively with employers to design and deliver processes that help disabled people get or keep jobs.

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<sup>30</sup> Needels K. and Schmitz R. (2006). *Economic and social costs and benefits to employers of retaining, recruiting and employing disabled people and/or people with health conditions or an injury: A review of the evidence*. Department for Work and Pensions Research Report No 400.

- 5.67 This is why we have asked employers, disability-focused employers groups and other stakeholders to help us build the foundations for an employer-led campaign. This campaign seeks to promote good corporate recruitment, retention and development practices. A series of 'expert employer panel' events are taking place from July 2008 to March 2009 to begin this campaign. These events will give committed employers the opportunity to share good practice and develop an employer 'agenda for change'. From these events we will seek to establish a 'beacon group' of employers who will agree to take a lead in promoting further initiatives and put into practice good ideas that will work for them, and potentially for other employers.
- 5.68 We will begin to review the impact of these events in January 2009. The outcome of this review will determine further action for us to take forward with employers and other stakeholders. We will continue to keep all participating employees informed as work progresses. Working with the Department for Business Enterprise and Regulatory Reform and other partners, we will identify effective employer and employer support channels. These channels will support the sharing of information and advice which will build and support employer commitment.
- 5.69 It is also important that we improve on existing in-work support mechanisms for disabled people. For example, Employment Retention Assessments are a valuable tool in considering reasonable adjustments when people acquire a disability or when an existing impairment worsens. We will work with and support employers and employees to develop guidance and good practice in this area.
- 5.70 We will work with the Office for Disability Issues, the Government Equalities Office, the Equality and Human Rights Commission, as well as business and other stakeholders, to consider appropriate references to Employment Retention Assessments in the guidance and the codes of practice that will accompany the Equality Bill.

### Employ ability

- 5.71 Since October 2007, the Employ ability campaign has successfully challenged the attitudes and perceptions of small and medium-sized enterprise employers towards disabled people. Building on this success we intend to widen the reach of Employ ability during 2009-10. We will expand the campaign to promote the business benefits of employing a diverse workforce to target groups of employers. Employ ability will become one of the means by which we engage employers in adopting good practice on diversity and making employment opportunities available to our disabled customers.



### Local Employment Partnerships

- 5.72 The Local Employment Partnership initiative was introduced in March 2007. Local Employment Partnerships bring together Government and public and private businesses to tackle the increasing recruitment and skills challenges of our labour market and economy.
- 5.73 Public and private employers across the country have signed up to working in partnership with the Government to open up opportunities for people who, for whatever reason, have not yet been able to take advantage of the employment opportunities. These individuals will be people who have been out of the work environment for a while. They will include: lone parents; job seekers who have been unemployed for more than six months; people who have been out of work as a result of illness or disability; care leavers; and former offenders. The Department for Work and Pensions is working with the Department for Innovation, Universities and Skills to ensure that our work with employers is not just about getting people ready for work, but also about developing skills once in a job.

### In-work support for disabled people and people with health conditions

- 5.74 Evidence shows that work is generally good for health and inactivity bad for it. Yet too often when people develop health conditions they leave work, often never to return. Tackling long-term sickness absence requires a something-for-something deal between the State, employers and individuals.
- 5.75 Dame Carol Black's Review of the health of the working-age population<sup>31</sup> presented a compelling economic and social case for action: too many people are out of work, particularly with mild health conditions, resulting in annual economic costs to the UK of working-age ill-health exceeding £100 billion.
- 5.76 The Review called for a new vision for health and work in Britain and made wide-ranging recommendations to the Government. It also urged other stakeholders to take responsibility. No single stakeholder group can achieve success on its own – partnership working is essential if we are to succeed.
- 5.77 The Government published its response to Dame Carol Black's Review,<sup>32</sup> on 25 November 2008 and set out the measures that form the Government's commitment to meeting the challenge of working-age ill-health.

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<sup>31</sup> Black C. (2008). *Working for a healthier tomorrow*. TSO.

<sup>32</sup> HM Government. (2008). *Improving health and work: changing lives*. Cm 7492. TSO.

- 5.78 Building on commitments in the Green Paper to support employers, individuals and healthcare professionals to help people stay in or return to work from a period of ill-health, the Government Response sets out plans to:
- deliver a range of early intervention 'Fit for Work' services that meet local needs, working with local strategic partnerships;
  - implement a 'fit note', a revised medical certificate that focuses on what people can do, not what they cannot do;
  - pilot a national occupational health help-line for small and medium-sized enterprises;
  - appoint Health, Work and Well-being Co-ordinators across the country to ensure effective focus on health and work issues at a local level;
  - develop a National Strategy for Mental Health and Employment;
  - establish a challenge fund to encourage small and medium-sized enterprises to take steps to improve employee health and well-being in their organisation; and
  - develop a National Centre for Working-Age Health and Well-being to create a focus for:
    - improved data-gathering and analysis;
    - the development of evidence-based guidelines;
    - the evaluation of interventions; and
    - the identification of evidence gaps with the co-ordination of research activities to close those gaps.
- 5.79 Early intervention is the single most important determining factor in successful action to tackle long-term sickness absence. This is most effective when it is a workplace-based solution. Evidence of what works within vocational rehabilitation firmly points to this. Employers are best placed to know when to intervene and we know that some employers are playing their part. However, we know that many could do more.
- 5.80 Just as for customers on the Employment and Support Allowance who are supported back to work with action plans, in our Green Paper we set out plans to work with employers to encourage the use of voluntary back-to-work action plans for people who are on sick leave. These have proved a successful tool in countries such as the Netherlands, where employers and employees work together to develop a plan to facilitate a return to work once an employee has been absent from work for a period of time.

- 5.81 Such an employer-focused approach has been welcomed in this country through the consultation process. We will now work with employers and other stakeholders to develop the tools and guidance necessary to support back-to-work action planning.
- 5.82 We also announced in the Green Paper that we would explore how to provide appropriate incentives for employers that might further encourage investment in health and well-being programmes to tackle sickness absence in the workplace effectively. In doing this we will also look at incentives for individuals and the Government to ensure that the system is balanced and creates a 'fair deal' for everyone.

### Understanding the needs of people with mental health conditions

- 5.83 The Green Paper, *No one written off: reforming welfare to reward responsibility*, drew attention to the fact that mental health conditions are now the single biggest cause of absence from work and of claims for incapacity benefits. Several respondents to our consultation on the Green Paper highlighted the particular needs of people with fluctuating or mental health conditions and the effects of increased expectations on them. There were also some calls for increased in-work support for people with mental health conditions.
- 5.84 Improving support for people with mental health conditions is an area we are keen to understand more fully. Our evidence on the effectiveness of Pathways to Work for people with mental health conditions has shown some positive results on employment, especially for existing customers. An independent study found that Pathways to Work more than doubled the employment rate for existing customers claiming Incapacity Benefit on the basis of mental health conditions.<sup>33</sup> We will continue to research this area and disseminate good practice to those who deliver Pathways to Work.
- 5.85 This approach received a very positive response in our consultation. We will only require people to take part in activities which would be appropriate for their condition and we would not put in place sanctions against anyone with a mental health condition without first contacting them, their carer or their health professional.

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<sup>33</sup> Bewley H., Dorsett R. and Ratto M. (2008). *Evidence on the effect of Pathways to Work on existing claimants*. Department for Work and Pensions Research Report No 488.

- 5.86 We are also looking at how we can use increased Access to Work funding to provide better support for people with mental health conditions in work. We are sure that with a better framework of support, and by equipping employers to be better at supporting their employees with a fluctuating mental health condition, we can improve employment experiences for people with a mental health condition. We set out later in this chapter pilots within Access to Work through which we will test arrangements for making support available for this customer group.
- 5.87 We signalled in the Green Paper, *No one written off: reforming welfare to reward responsibility*, that we would work to develop the first ever cross-government National Strategy for Mental Health and Employment covering the full spectrum of mental health conditions, including severe mental health conditions. As announced in the recently published Response to Dame Carol Black's Review<sup>34</sup>, Dame Carol now chairs an independent expert steering group to oversee its development.
- 5.88 We have also selected 12 Primary Care Trust pilot sites which, from spring 2009, will test embedding employment advisers as a core component of the Improving Access to Psychological Therapies (IAPT) programme. They will work alongside therapists, providing information, advice, guidance and practical support to help people with poor mental health remain in work or return to work as quickly as possible. These pilots are an opportunity to test the impact of early access to integrated health and work support for job retention and job outcomes more generally. We are working to ensure that, wherever possible, Pathways to Work is effectively linked with the IAPT programme in England and similar programmes in Scotland and Wales.

### Enhanced disability employment provision

- 5.89 While the commitment of employers is key, we also recognise that some disabled people cannot work without more intensive support than services like Pathways to Work usually provide. We are developing a modernised framework that will provide effective support for disabled people moving into and progressing in work.
- 5.90 On 11 November 2008 we published our response<sup>35</sup> to a public consultation on proposals to improve specialist disability employment services. We said we wanted to create a more flexible provision, with a greater emphasis on helping those who can make the move into sustainable, unsupported paid work. For those who will have an ongoing need for support, we will ensure that support continues to meet their needs.

<sup>34</sup> HM Government. (2008). *Improving health and work: changing lives*. TSO.

<sup>35</sup> Department for Work and Pensions. (2008). *Helping people achieve their full potential: Improving Specialist Disability Employment Services*, Summary of Responses.

- 5.91 Our proposals were for services with less prescription and greater flexibility. Better links between elements of provision and a greater focus on helping people into work would mean that our services were more capable of being able to meet the needs of each individual. We proposed moving away from a 'one size fits all' approach. Services would be tailored to what each customer needs to move into and stay in work. The responses we received were overwhelmingly supportive of the proposals we set out. The Green Paper, *No one written off: reforming welfare to reward responsibility*, said that the Department for Work and Pensions would press on with the reforms, and responses to the Green Paper also gave strong support to the improvements that we are now working on.
- 5.92 This White Paper confirms that we will go ahead with these changes. For those people who need more help than available through Pathways to Work and other programmes, we will be introducing from October 2010 a new programme that will help, by 2014-15, an additional 3,500 customers in supported employment at any one time. Moreover, the new programme will have delivered an additional 5,000 progressions into unsupported employment by 2014. Some additional funding is to be made available to achieve this. Support available will be customised to the needs of individuals and include vocational guidance, job search and application support, in-work coaching and helping with career progression. And a greater focus will be placed on working with employers. Contracts for the new programme to improve disability employment provision and make it more flexible will be awarded from April 2010, and we plan to start the new programme from October 2010. Before then, we will set up a series of design events and workshops for customers, providers, employers and disability representative organisations over the next few months to firm up on the detail of the services we want to see established.

#### Increased support from Access to Work

- 5.93 Access to Work is a flexible, popular, and effective programme which removes a range of disability-related barriers to paid work. It currently helps some 40,000 people annually to take up or keep work which would not be possible without the programme. In the Green Paper, *No one written off: reforming welfare to reward responsibility*, we said that we would double the Access to Work budget and we confirm in this White Paper that we will do so.
- 5.94 Responses to the Green Paper have confirmed that people with a fluctuating condition, including a fluctuating mental health condition, frequently lack the support they need in the workplace. The Government is determined to make it possible for greater numbers of people in these circumstances to move into, and retain, paid work. We therefore recognise that there is a need to put in place support for customers with a fluctuating condition.

- 5.95 This is why we announced in October 2008 that we would be piloting flexible Access to Work provision for people with a fluctuating mental health condition. These pilots are now underway.
- 5.96 This approach builds on the Support Worker element of Access to Work. Working with specialists in the field of mental health and work, we are using Support Workers to work with employers to develop solutions which are adapted to the different needs of each person. The support is available when it is needed, waiting in reserve to respond quickly when mental health deteriorates or problems emerge.
- 5.97 At the same time, the Support Worker equips the employer to provide the support that the individual needs. This might just include a willingness to consider more flexible working arrangements. Throughout the process, specialist support is on hand until the employer is confident about providing from their own resources any further support which their employee may require. We believe that this approach will increase the confidence of employees and reassure employers.

### Working in co-ordination across government

- 5.98 Mental health conditions are the single biggest cause of absence from work and of claims for incapacity benefits. While there is a wide range of healthcare, skills and employment advice available for this group, we believe there is more we can do to integrate and personalise the current offer.
- 5.99 In our response to Dame Carol Black's Review, we highlighted that we are working across government to explore how, for those with mental health conditions, we may more fully integrate health and work services with the wider skills agenda and we intend to ask key independent government advisers to look at how this could best be achieved.

## Conclusion

- 5.100 Replacing incapacity benefits with the Employment and Support Allowance and extending Pathways to Work nationwide has already transformed the support offered to disabled people and people with health conditions, making it more personalised and work focused. To help the over two and a half million people already on incapacity benefits, we now intend to make this support available to existing claimants. This will help meet the ambitions of the overwhelming majority of incapacity benefits claimants who want to work. It will also help the Government meet its aims of making the most of the talents of everyone and of reducing the number on incapacity benefits by one million.
- 5.101 The new Work Capability Assessment will ensure that people who cannot work will not be forced into work or take part in any activity which might set back their recovery. But in return for the extra support being offered, it is right for the individuals involved and the country that people be expected, where their health allows it, to take up these opportunities.





## Chapter 6

More support,  
higher expectations





## Chapter six – More support, higher expectations

### Summary

Many people who lose their jobs find new employment within weeks. But the longer people are out of the labour market, the more difficulties they face in finding work. And this is a particular danger when the job market tightens because of an economic slowdown.

In previous economic slowdowns the level of support offered to job seekers who do not find work quickly has not always matched these difficulties. Nor have the obligations placed on them fully taken into account the principle that they must look for work in return for financial support. The result has been that too many people have been abandoned to long-term unemployment.

This White Paper confirms our intention, building on the Green Paper proposals and the Gregg Review, to increase both the support offered and activity required from those on Jobseeker's Allowance for extended periods. This includes plans to:

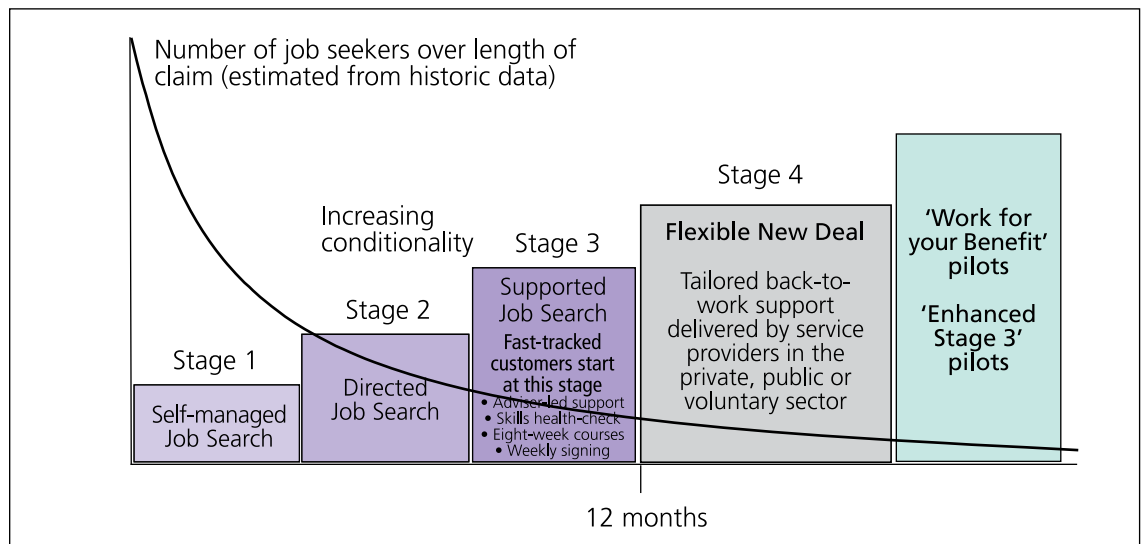
- improve access to skills training for those out of work, together with a mandatory skills assessment;
- increase the expectations we place on more partners of benefit claimants in return for benefit payments;
- trial Work for Your Benefit programmes for those still on Jobseeker's Allowance after two years, and those who may benefit from it earlier in their claim;
- require job seekers with more complex barriers such as drug problems to take action to overcome these obstacles to work in return for benefit;
- put in place a clear and progressive sanctions regime for those who don't meet their obligations; and
- make the penalties for benefit fraud clearer, quicker and more effective.

- 6.1 Support from the State matched by activity from the individual has been the backbone of the welfare state from its creation. People getting unemployment support were always expected to look for work. When this requirement was relaxed, as it was for a time in the 1980s, hundreds of thousands of people lost any prospect of a job. As we have provided increasingly personalised support, so we have expected increased activity from people claiming out-of-work benefits.
- 6.2 In our Green Paper, *No one written off: reforming welfare to reward responsibility*, we said that we want to extend this approach to more people who have so far had little back-to-work support. We believe this approach is even more important at a time of economic slowdown. A very strong job seeking path for people who are unemployed was also recommended by the Freud and the Gregg Reviews. We are now going to take forward these proposals based around:
- increased support, coupled with an obligation to seek and return to work in return for financial support between jobs;
  - new help for people to close skill gaps;
  - trialling whether those out of work for a long time should be required to take part in full-time activity in return for benefits; and
  - more intensive help for problem drug-users.

## Increased requirements for job seekers – the first two years

- 6.3 Our Green Paper proposals for job seekers build on the reformed Jobseeker's Allowance which will be phased in across the country, beginning in April 2009. These changes will be supported by initial contracts for the Flexible New Deal and will make more use of contracted employment support. These changes have been broadly welcomed.
- 6.4 This new approach means that we have a single structure for job seekers whatever their age. We will explain clearly that financial support between jobs is based squarely on the obligation to seek and prepare for work, and that, in return for world class support, a continuing commitment to making the most of these opportunities is expected. This provides certainty for people claiming Jobseeker's Allowance, while also controlling benefit spending.

Figure 6.1: The Jobseeker's Allowance regime and the Work for Your Benefit programme pilot



- 6.5 Around half of all Jobseeker's Allowance claimants leave the benefit within three months, and three-quarters leave within six months. However, the minority of people who stay on benefit for more than six months find it increasingly difficult to get back to work, with the danger that short-term job losses become permanent unemployment. This matters most for those with the greatest barriers to gaining and retaining sustained work, for instance, those with multiple skills needs or those in disadvantaged groups such as members of black and ethnic minority groups and disabled people.
- 6.6 As the number of people claiming Jobseeker's Allowance rise, we must step up, rather than relax, both support for those seeking work and the requirements on them. We are creating a new contract for job seekers, promising help with skills and help with employability. This will help to build a well-trained and motivated workforce for the future upturn. It will also help everyone make the most of their abilities, increasing their job prospects.

## Work for Your Benefit

- 6.7 Our Green Paper, *No one written off: reforming welfare to reward responsibility*, set out proposals for a 'Work for Your Benefit' programme for people who are long-term unemployed. The aim of this programme would be to help people who have been out of work for a long time to learn or regain work habits and routines. We proposed testing whether job seekers who have not entered sustained work after 12 months of the Flexible New Deal should take part in this programme. We know that many customers will reach this stage because they have significant barriers to work, such as gaps in their skills. We envisage that Work for Your Benefit will provide support to address these barriers alongside full-time work-related activity.

- 6.8 Others who are still on Jobseeker's Allowance at the end of Flexible New Deal may be 'playing the system', preferring living on benefit to employment, or simultaneously claiming and working. This is unacceptable. We believe the prospect of attending mandatory full-time activity for a substantial period of time would act as an effective deterrent.
- 6.9 This proposal provoked differing responses during the Green Paper consultation. Some were supportive, but others have suggested that Work for Your Benefit could be seen as a punishment. This is certainly not our intention. In line with the Gregg Review recommendations, we intend that the full-time activity undertaken by participants in the pilot areas will provide substantial back-to-work support.

### Piloting the programme

- 6.10 As the changes would be intended to provide extra support to help people back into work, we will pilot Work for Your Benefit to test whether it has this impact. We will test the programme in a number of Jobcentre Plus districts, requiring participation from a proportion of those who are still out of work at the end of the Flexible New Deal period, and as a discretionary power for advisers for claimants they believe would benefit. In pilot areas, job seekers who do not return to the 'supported job search' stage of the Jobseeker's Allowance regime will be required to participate in either:
- a full-time Work for Your Benefit programme involving full-time work experience for up to six months; or
  - an alternative programme delivered by Jobcentre Plus involving increased support and interaction to help long-term unemployed people find work.
- 6.11 In pilot areas, we will also test allowing Jobcentre Plus advisers to refer customers to Work for Your Benefit-type provision earlier in their Jobseeker's Allowance claim. To ensure greater personalisation and tailoring of employment support we want advisers to have access to the programme for job seekers who could benefit from this type of activity earlier in their claim, including those who refuse to engage with the other support on offer. The pilots will start in 2010, in line with the first people completing 12 months on Flexible New Deal. The pilot areas have yet to be determined, but we will engage with local partners in developing the specification for the provision when locations have been finalised.
- 6.12 In running these pilots, Jobcentre Plus will identify people who are not suitable for one of the three options. These will include people who need more intensive support, such as Progress2Work or Linkup and those who should not be on Jobseeker's Allowance. Job seekers who have made good progress with their Flexible New Deal provider, but have not managed to make the move into sustained work, will also be outside the pilot programme. They would be able to remain with the Flexible New Deal provider on a voluntary basis for up to six months to build on progress.



## A clearer, quicker and more effective sanctions regime

- 6.13 With the willing support of the vast majority of customers, our 'something-for-something' approach has helped more people move back into employment more quickly. But for it to work, there must also be some way of ensuring the compliance of those who may not be so willing. We introduced benefit sanctions to remind the minority that meeting the requirements of Jobseeker's Allowance and the New Deal programmes is not optional.
- 6.14 Sanctions are vital in supporting and enforcing the conditionality regime outlined in the Gregg Review. As welfare reform continues, we need to ensure that the sanctions regime for all benefits develops with it.
- 6.15 Professor Gregg found that the current sanctions regime largely works well, but will need a few refinements over the long-term to truly support his vision. He believes that in the short-term the focus should be on speed, clear communication and ensuring that appointments are attended wherever possible. Beyond that, the Government should explore clearer fixed fines and more innovative approaches for repeat offenders.
- 6.16 The Gregg Review noted that around a third of all referrals for a sanction are for failing to attend a mandatory interview or appointment, and 70 per cent of referrals result in a sanction being applied. As a result of people failing to attend appointments or work programmes, there are around 12,000 Jobseeker's Allowance claim terminations per month. Many job seekers return shortly after their claim has been closed down to start a new Jobseeker's Allowance claim. In this costly process of termination and reclaim, only one or two days of benefit are lost to the claimant, which is a poor deterrent at a high administrative cost.
- 6.17 Therefore, we intend to bring forward new legislation to close this gap in the way sanctions respond to serious non-compliance. It would no longer be possible for a job seeker to ignore a mandatory appointment. Those who do would be subject to a benefit sanction of no fewer than one full week of Jobseeker's Allowance. We will also ensure that any subsequent failure to attend would result in a sanction amounting to the loss of two weeks' benefit.
- 6.18 We believe that introducing a consistent and automatic sanction for failing to attend a mandatory interview or work programme will clarify the current process so that job seekers know what is expected of them and what will happen if they do not comply without very good reason. Our intention is to ensure that attending mandatory interviews, including signing on every fortnight, is recognised by everyone as a key part of accounting for active work search.



- 6.19 We believe the use of actual violence, or the threat of violence by a small but very disruptive number of customers, is unacceptable. In some cases, where a customer is claiming Jobseeker's Allowance their behaviour means they are not able to attend Jobcentre Plus premises. Aside from the impact upon Jobcentre Plus staff, such disruptive behaviour can act as a barrier to support, limiting the customer's chances of getting and keeping a job. It prevents our staff from being able to offer customers the support they need which can result in them becoming distanced from the labour market.
- 6.20 In 2007-08 there were over 16,000 reported assaults on Jobcentre Plus staff, the overwhelming majority of which were 'verbal assaults'. Jobcentre Plus takes a robust approach to such behaviour and will act against it when it occurs, including calling the police and supporting criminal prosecutions. Job seekers can also be required to attend a different office to fulfil their work search commitments when directed to do so. Jobcentre Plus will continue to undertake these actions when appropriate.
- 6.21 In the Green Paper, *No one written off: reforming welfare to reward responsibility*, we said that we would explore imposing a benefit sanction in addition to the action Jobcentre Plus already takes. We will introduce a sanction which will tackle violent behaviour through a loss of benefit. This will give Jobseeker's Allowance claimants the clear message that avoiding conditionality through violence towards Jobcentre Plus staff will not be tolerated.
- 6.22 Most of the individual respondents responsible for delivering Jobcentre Plus services recognised that sanctions are vital in ensuring that our 'something-for-something' approach to employment support is effective, and were in favour of strengthening the sanctions regime. There was broad support from many of them for the proposal to introduce benefit sanctions for violent behaviour. Other individual responses from members of the public were along similar lines. However, many organisations expressed concern that particularly vulnerable groups, such as disabled people or people with a mental health condition were at particular risk from sanctions and their administration.
- 6.23 We recognise these concerns, but we do not believe that they amount to a reason for weakening the structure of conditionality which necessarily underlies our aims for welfare reform. We will continue to ensure that each individual's circumstances are carefully considered before imposing a sanction. We will maintain the safeguards which are already in place to prevent anyone – including vulnerable people – being unfairly sanctioned.

## Tackling benefit fraud

- 6.24 Our strategy based on preventing, detecting and deterring benefit fraud has proved very successful. Benefit fraud is now at the lowest level ever recorded, with our latest estimate showing that by March 2008 we had reduced fraud across all benefits to just over half a penny for every £1 of benefit that we pay.
- 6.25 We know that we need to continue to develop and enhance our strategy for combating fraud. In particular, we aim to strengthen the effective deterrents and punishments currently in place to deter more people from committing benefit fraud in the first place. This is why we asked in the Green Paper, *No one written off: reforming welfare to reward responsibility*, for views on whether we should further develop the sanctions for people who commit fraud.

## Building on the current criminal sanctions regime

- 6.26 Since 1999, cautions and administrative penalties have been offered to customers for less serious cases of benefit fraud, with criminal prosecution pursued in more serious cases. We also have a policy of referring all suitable cases for financial investigations under relevant legislation<sup>36</sup> with a view to obtaining from Courts, the authority for restraint and/or confiscation of identified assets.
- 6.27 For repeat offenders, 'Two Strikes' is a fixed 13 week benefit disqualification period for anyone who is convicted of benefit fraud in two separate proceedings within a five-year period. The 'Two Strikes' provisions enforce the principles of rights and responsibilities by ensuring that those who repeatedly defraud the benefits system can lose their right to financial support. It has been successful in deterring fraud. We now consider that the same principle should be extended to everyone who commits fraud and deliberately ignores the rules. This White Paper confirms that we intend to introduce a new sanction to reduce or withdraw entitlement to benefit for four weeks after a first benefit fraud offence (a 'One Strike' approach). This will extend the penalty to cover those who commit a first offence which results not only in convictions, but also administrative penalties and formal cautions.
- 6.28 The proposals on benefit fraud penalties would mean that in all cases where there is sufficient evidence that benefit fraud had been committed to consider a prosecution there would be:
- Recovery of the overpayment.
  - A fraud sanction.
  - A four-week benefit penalty.

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<sup>36</sup> The Proceeds of Crime Act (POCA) 2002.

## Drugs

### New benefit rules for problem drug users

- 6.29 We said in our Green Paper, *No one written off: reforming welfare to reward responsibility*, that we thought the social and economic cost of drug misuse was unacceptably high. Evidence showed that many people who are dependent on benefit are also dependent on drugs. The Government published its ten-year Drug Strategy for England in February this year. It describes the costs of problem drug use to individuals, their families and society. Drug use causes short and long-term damage to health, particularly mental health. It causes crime and family breakdown and it contributes to social exclusion.
- 6.30 The Drug Strategy sets out a number of key objectives including:
- targeting those most at risk;
  - improving the quality and effectiveness of treatment;
  - using new treatment approaches more widely; and
  - adopting a radical new focus on services to help problem drug users to re-establish their lives.
- 6.31 It is clear that helping problem drug users into work has a major role to play. Work reduces the risks of poverty and social exclusion and improves health. Work can also be critically important in helping people recover from drug dependency. This is why an integrated approach to drug treatment, employment support and the range of barriers that recovering drug users may face is so important.
- 6.32 Many drugs organisations and charities said they would welcome a stronger approach. They have said that they believe this will provide the impetus that many problem drug users need to move into and remain in treatment, provided positive support processes, such as a Treatment Allowance, are also in place. There was general support too for the wider policy aim of supporting drug users into employment, and integrating employment with treatment and rehabilitation.

### Declaration of drug use

- 6.33 Many stakeholders criticised the proposal to make declaration of problem drug use a condition of benefit entitlement. There were suggestions that this was asking people to incriminate themselves and concerns that the proposals would push drug users further from the benefits system. In particular, there was anxiety that women, in particular, would not declare drug use due to fear that their children would be taken into care. There was further concern about proposals to use drug testing.

- 6.34 The Government understands these concerns and we will not make all new benefit claimants make a declaration of drug use at the start of their claim. We recognise that drug addiction is a long-term, chronic, relapsing condition that generally takes years to overcome. While the ultimate goal must be abstinence, we understand that many problem drug users need additional help such as substitute medication to become drug-free. The approach that we adopt will support that.

### Sanctions

- 6.35 Stakeholders feared that sanctions which led to loss of benefit might drive drug users into crime and prostitution and that this would have a negative impact on families. Contributors thought that such sanctions would single out drug users for unfair treatment.
- 6.36 We believe, however, that it is wrong for individuals, their families and society to allow people to use drugs long-term without challenge while they are on benefit. It is impossible to sustain a drug problem on benefit income alone so many of those with entrenched, serious misuse problems are very likely to be involved in crime. We understand these concerns, however failure to engage in the programme without good cause will lead to a sanction.

### Identification

- 6.37 To support problem drug users back into employment we need to be able to identify them. This is likely to happen for those claiming the Employment and Support Allowance during the Work-Focused Health-Related Assessment, but we also need to identify people claiming Jobseeker's Allowance. Where advisers suspect that this may be the case, those claiming this benefit may therefore be asked whether current or recent use of heroin and crack cocaine is preventing them from working.
- 6.38 We will support this by exploring the use of existing and new powers to enable data to be obtained from the criminal justice agencies. This information will include, for example, details of people who have left prison, and those who are subject to a Drug Rehabilitation Requirement imposed by the courts as part of a community sentence. The information given by claimants and provided by the criminal justice system will be safeguarded and will only be used for benefit purposes and the operation of the new programme.

### A new regime for problem drug users

- 6.39 A new drug and employment support programme will be developed to provide integrated and personalised support for problem drug users on Jobseeker's Allowance or the Employment and Support Allowance. The programme will cover:
- support to stabilise the claimant's drug problem;
  - support to help build self-esteem and confidence;
  - steps to address barriers to work such as housing and debt; and
  - support to gain the skills needed to get ready for work.
- 6.40 Claimants who are identified as problem drug users will be referred for an initial assessment with a healthcare professional who will decide whether the individual has a heroin or crack cocaine problem, and will determine whether they should be referred to the new programme. We are exploring whether drug testing has a role to play in respect of claimants who fail to engage.
- 6.41 Individuals will be required to engage with a personalised programme of support until they are ready to move onto the mainstream Flexible New Deal or Pathways to Work programmes. Regular feedback will be provided to Jobcentre Plus on their progress.
- 6.42 During the period they are on the programme, claimants will receive a Treatment Allowance. This will be paid within the existing structures of Jobseeker's Allowance and the Employment and Support Allowance, but the conditions of entitlement will be varied and replaced with a more tailored and appropriate set of conditions for supporting recovering drug users. For example, this will mean that those on Jobseeker's Allowance will not be required to sign on or be required to show that they are actively seeking work for this period. They will, however, be expected to engage with and undertake the actions in their rehabilitation plan.
- 6.43 It is important, though, that individuals engage properly. In return for receiving the Treatment Allowance, they will be required to agree a rehabilitation plan, and to make real efforts to make progress against it. If they fail to do so, without good cause, they will be subject to sanctions. These will be based on those already present in Jobseeker's Allowance and the Employment and Support Allowance.
- 6.44 The introduction of this new regime will be facilitated by new drug co-ordinator posts in Jobcentre Plus. They will be introduced in England and funded by the Department of Health, from April 2009. There will be co-ordinators in each English district who will establish close links with Drug Action Teams and drug treatment providers in their area.

- 6.45 We believe that these measures, which we plan to pilot and fully evaluate before any national rollout, will provide an effective means of identifying problem drug users and providing effective support to give them the opportunity to rebuild their lives.
- 6.46 The benefits system applies across Great Britain, but health services are devolved in Scotland and Wales. Criminal justice is also devolved in Scotland. We are continuing to explore with the Scottish Government and Welsh Assembly Government if these measures can be extended to Scotland and Wales in a way which is consistent with their respective drug or substance misuse strategies.

### Working with former offenders

- 6.47 Helping offenders into employment is one of the governments key social inclusion objectives under its reducing re-offending strategy and the Public Service Agreement (PSA) 16. If we are successful in increasing employment outcomes it would make a substantial difference not only to the lives of the individual offender, but also to the wider community through enabling offenders to become fully contributing members of society. Much of this work is already underway through the offender skills and employment programme delivered with the Ministry of Justice and the Department for Innovation, Universities and Skills.
- 6.48 We are therefore working to ensure that former offenders are offered a clearer route to achieve their employment potential. This will not be a 'guarantee of a job', but rather we would, for example, focus on the more effective directing of former offenders to existing training opportunities, provide them with help and support in finding a job, and focus them on working with local authorities where necessary to find secure accommodation.

### Volunteering and developing skills for work

- 6.49 Volunteering can help job seekers develop important work-related skills and improve social cohesion. The current benefit rules balance the expectation that claimants should be actively looking for paid employment with recognition that volunteering can be part of the path back to work.
- 6.50 Jobseeker's Allowance claimants may participate in unlimited voluntary activity alongside, but not in conflict with, the basic conditions of entitlement of availability for work and active job search. Any money paid to refund expenses during voluntary activity is disregarded in full when working out benefit entitlement and we have specified volunteering as one of the activities a job seeker can undertake as part of the supported job search stage of Jobseeker's Allowance. We have relaxed the rules for volunteers, allowing them 48 rather than 24 hours to attend a job interview, and a week to take up a job offer.

- 6.51 In the Green Paper, *No one written off: reforming welfare to reward responsibility*, we asked how job seekers could be encouraged to use volunteering as a deliberate back-to-work strategy within these current rules for benefit entitlement. We want to ensure that Jobseeker's Allowance claimants are able to take advantage of volunteering opportunities while retaining their focus on moving off welfare into paid employment.
- 6.52 The responses we received showed support for our approach to volunteering for people claiming Jobseeker's Allowance and provided valuable feedback on how we could further promote volunteering opportunities to claimants. This included improving the information provided to customers, and the guidance provided to staff, to ensure that the benefit entitlement rules for volunteers are understood by all.
- 6.53 As a result, Jobcentre Plus is now following through with the project proposed in the Green Paper to involve key players from the third sector to look at how this can be done. This will feed into a memorandum of understanding between Jobcentre Plus and third sector representatives to improve the relationship between employment support and voluntary activity.

## Equipping people with the right skills

- 6.54 People need the right skills to prepare for work and to progress in a job. People who are out of work should have the opportunity to identify and address their skill gaps through our improved services. People who are already in a job may need help to update their skills or to get advice about moving jobs and developing a new career. We are giving people more control over the skills they gain through better advice and guidance from the new adult advancement and careers service. This will help to ensure that work is sustainable and more rewarding and enables people to develop their skills in work as they progress.
- 6.55 In 'Work Skills' we set out our ambition to bring together the commissioning of core employment and skills services and set up new trials to test how this will work, as described in Chapter 3. Through these, as well as through our trials to integrate employment and skills services, we will help over 100,000 people in 2010-11 to gain sustainable employment and achieve a recognised qualification. Together these will establish the groundwork for a reform of the systems that support people both out of work and in work to improve their skills and secure more sustainable employment.



## The Integrated Employment and Skills Service

- 6.56 Integrating back-to-work support and training will increase the effectiveness and relevance of the help we offer people who are out of work. Our Integrated Employment and Skills Service will offer opportunities to join up support, with independent assessment of skills abilities and needs. It will provide those who need help with opportunities to train for jobs in the local labour market. We will also test using the Integrated Employment and Skills Service to provide training and support for people in work.
- 6.57 The first Integrated Employment and Skills Service trials started in the West Midlands in September 2008 with the aim of identifying and addressing the skills needs of benefit claimants. The key features of the trials include:
- an enhanced Jobcentre Plus skills screening process to identify those customers who have potential skills needs (including basic skills needs) which are preventing them from finding sustainable work or staying and progressing in a job;
  - the introduction of a skills health check, delivered by nextstep advisers, to identify an individual's existing work-focused skills levels and those that they need to develop;
  - nextstep careers advisers working in Jobcentre Plus offices alongside personal advisers to deliver skills and employment advice in the same place;
  - enhanced nextstep services, offering more in-depth support to those with the most severe skills needs; and
  - from December 2008, we will begin testing Department for Innovation, Universities and Skills-led Skills Accounts for Jobcentre Plus customers to help them keep a log of the training or skills activities they undertake and understand the range of support they can get.
- 6.58 Over the next two years, we will develop further Integrated Employment and Skills Service trials across England, and will expand their focus to include lone parents and people claiming the Employment and Support Allowance. We are also working closely with colleagues from the Scottish Government and the Welsh Assembly Government to deliver an integrated service to all Jobcentre Plus customers, right across the UK.

### Increased requirements for skills assessment and attendance on courses

- 6.59 We have already announced our plans to pilot in England a requirement for job seekers to attend skills health checks and relevant training where their adviser has identified a lack of skills as a barrier to work. The Green Paper, *No one written off: reforming welfare to reward responsibility*, proposed piloting an extension of this new conditionality to lone parents on Income Support and people who start to claim the Employment and Support Allowance. The Welsh Assembly Government and the Scottish Government have both responded to these proposals pointing out that skills provision and career advice are devolved matters. They have said that, before they are prepared to consider allocating their resources to supporting this policy, they would need to see clearer evidence that changing the conditionality of benefit claimants in this way helps people towards work.
- 6.60 We believe that the proposed changes will make a real difference to the job opportunities for the people affected, and that investing in skills in this way is vital to our welfare reforms. Our skills proposals have been developed with the Department for Innovation, Universities and Skills with an agreement that training funded through the Learning and Skills Council in England will be made available to customers for whom the training is most appropriate. However, we recognise that the devolved administrations must have control over their skills resources and, should the devolved administrations not agree to supporting pilots of skills conditionality, we will limit these to England.
- 6.61 We strongly believe that the new Integrated Employment and Skills Service service, enhanced with improved and more relevant training provision, is an environment in which our customers can be supported to identify and address their skills needs and therefore find more satisfying work. Piloting skills conditionality for benefits customers will enable us to understand better how this supports individuals back into employment.

### Skills for lone parents

- 6.62 The Green Paper, *No one written off: reforming welfare to reward responsibility*, contained proposals to support more lone parents with younger children into employment, so that preparation for work becomes a natural progression, rather than a sudden step-up. Some respondents supported the idea of skills training and skills health checks in advance of the transition to full job seeking, while others felt it should be up to the individual to decide whether and what training they needed. A common theme in responses was the need for flexibility in training, with the flexibility to fit provision around lone parents' childcare responsibilities.

- 6.63 We understand the need for flexibility and we have no intention to force people to undertake training that is not appropriate to their needs. This is why we will be introducing a skills health check for lone parents. We also intend to modify the Green Paper proposals to take account of the new personalised conditionality vision for lone parents with younger children proposed by the Gregg Review. We agree with the Gregg Review that further extensions of the Jobseeker's Allowance regime to lone parents with younger children (i.e. below the age of 7) would not be appropriate and that the introduction of a new conditionality regime in line with the proposed 'Progression to Work' group could potentially help many more lone parents back to work. We therefore want to expand the current regime for lone parents and our Green Paper proposals to start to build up the supportive regime suggested by Professor Gregg (see Chapter 4).
- 6.64 While Professor Gregg suggests that lone parents with a youngest child aged between one and six should be in the 'Progression to Work' group, we believe that we should start to explore what these arrangements might look like for parents when the youngest child reaches three. Under these arrangements, lone parents with a youngest child aged between one and two would be required to attend Work Focused Interviews, as is currently the case. They would have no further requirements placed upon them, but they could volunteer for support under the New Deal for Lone Parents.
- 6.65 We therefore intend to expand the pilot measures for lone parents with younger children which we proposed in the Green Paper, *No-one written off: reforming welfare to reward responsibility*, to incorporate wider return to work activity as well as activity to address skills gaps. We want to discuss with people the detail of how this would work. We particularly need to consider issues around childcare provision to assist people preparing to move into part-time work. For those parents who do need childcare, services are increasingly available, but we need to make sure that safeguards are in place for those with special needs, such as parents with disabled children.
- 6.66 Similarly, we will reflect on our proposal to pilot a financial incentive for lone parents with younger children undertaking voluntary skills-related activity and how this fits with pilot arrangements which will take us towards the Gregg vision of a personalised conditionality regime, providing enhanced support for those preparing for work.
- 6.67 Consistent with the Gregg Review, for lone parents with younger children, we need to make sure that addressing skills needs becomes fully integrated into the preparation for work path for this group. Attending a mandatory skills health check and subsequent training to help them identify and develop the skills they need or undertaking other work-related activity, could form a vital part of the long term action plan for lone parents. These measures will add to the effectiveness of the comprehensive package of back-to-work and in-work support already available to all lone parents. Training opportunities will include English for Speakers of Other Languages (ESOL) training for those with language needs.

- 6.68 To underpin the Gregg vision, we will be introducing legislation that will enable advisers to require lone parents with a youngest child aged three or over to undertake work-related activity, a skills health check and training where a lack of skills is identified as a barrier to employment. We also intend that these arrangements would apply to partners of claimants with young children.

### Second Chance Learning option

- 6.69 We set out in the Green Paper our intention to remove obstacles to learning and skills within the benefits system for vulnerable young people who need a second opportunity to study up to level 3 (A-level or equivalent) to fulfil their potential. Typically, these would be care leavers and young people from chaotic family backgrounds whose schooling has been disrupted and who are likely to be two or three years behind in their education.
- 6.70 This White Paper confirms our intention to extend Income Support and Housing Benefit from the present maximum age of 20 to 21 for estranged young people in non-advanced full-time education. This will allow them to complete their A-level courses. We will bring in this change from April 2009.

### Skills support for people in work

- 6.71 It is important to ensure that people are given the opportunity to progress once in work. Access to training is key to this, especially for people from different cultural backgrounds. In integrating employment and skills services, the Government is committed to providing a seamless transition from pre-employment to in-work training supported through Train to Gain as set out in Box 6.1.

#### Box 6.1: Train to Gain

The Train to Gain programme, run by the Learning and Skills Council and funded by the Department for Innovation, Universities and Skills, gives every employer access to a free Skills Broker service offering independent and impartial advice and matching training needs with training providers.

The Train to Gain Skills Broker will identify the best training provision to meet the employer's needs and put together a tailored training package for employees. The Broker will also advise on whether any government funding is available to support the employers' needs.

- 6.72 At the moment the employment and skills systems do not always work together as well as they need to. There is a need to ensure:
- individuals move along a 'seamless' journey from entering employment to developing their skills once in work; and
  - we maximise the number of potential customers who benefit from the Train to Gain service.
- 6.73 As well as ensuring a link between pre and in-work training, we need to ensure that the system enables people moving from benefit into employment to take up training.
- 6.74 There are a number of ways we can achieve this 'seamless' journey. The co-commissioning trials announced in *Work Skills* this summer give one way of ensuring that there is a clear link between training provided pre-employment and training provided in employment. There is more detail about these trials and how they contribute to our broader strategy on devolution in Chapter 3 of this White Paper.
- 6.75 The full engagement of employers is essential if Integrated Employment Skills is to succeed. In January, the Government set out its plans in *Ready to Work, Skilled for Work*<sup>37</sup> for a new deal between government and employers. In return for government support for disadvantaged people to get ready for work, employers with vacancies give them a fair shot at their job through interviews, work placements and mentoring. Local Employment Partnerships, delivered by Jobcentre Plus, are a key vehicle for this deal.
- 6.76 In addition we are developing an Integrated Employer Offer. This will allow all employers access to the appropriate range of recruitment, training and business support services offered by government agencies. Employers will be able to gain access to the service they require from any point of contact with government agencies and their contracted providers or partners.
- 6.77 The Department for Work and Pensions, Jobcentre Plus and the Department for Innovation, Universities and Skills provide customers facing redundancy or who have just lost their jobs with a variety of support, some which can start before redundancy occurs. Much of this support can be provided through the Rapid Response Service working through delivery partners. Additional in-work training will be coordinated by the Learning and Skills Council to help employees moving back into employment. This will include drawing on Train to Gain funds (subject to available resources) for every Jobcentre Plus client re-entering work to provide the employer and new employee with a guarantee of training relevant to the new job up to a minimum of level 2. In addition, for those out of work, the Learning and Skills Council will be offering additional pre-employment training where this can improve job prospects.

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<sup>37</sup> Department for Work and Pensions and the Department for Innovation, Universities and Skills. (2008). *Ready to Work, Skills for Work: Unlocking Britain's Talent*. Cm 7316.

## Supporting more partners into employment

- 6.78 We must ensure that we are providing all those who can work with the support they need to make the move from benefits to paid work. We require couples without children on Jobseeker's Allowance and now lone parents with older children to take up opportunities to help them into work. However, we make fewer demands on two-parent families where both partners are out of work.
- 6.79 Approximately 350,000 partners receive support through the benefits system. Currently a couple can choose which one will make a claim for income-related benefit (Income Support, the Employment and Support Allowance or Jobseeker's Allowance) on behalf of the family. This person will normally be required to undertake some action to improve their employability. However, the other is required to do very little, even if they are fully capable of work.
- 6.80 Partners form a very diverse group facing a variety of different work-related issues. Partners are disproportionately likely to report that they are sick or disabled. Thirty-nine per cent of partners of Income Benefit, Income Support and Jobseeker's Allowance customers stated that they are sick or disabled. To provide context, according to the Labour Force Survey 16 per cent of the overall working age population have a Disability Discrimination Act defined disability. Of partners who said that they were sick or disabled, around three in ten (29 per cent) said that it affected the type or amount of work they could do. This includes around one in eight (13 per cent) of partners who said that they were too ill to work again.<sup>38</sup>
- 6.81 Twenty-one per cent of partners receiving benefits are of non-white ethnicity; this is compared to nine per cent of the working-age population. The majority (75 per cent) of partners are women.
- 6.82 We believe that it is right to provide partners with the support they need to achieve their potential. A move into paid work can be the catalyst they need to help them progress and meet their aspirations. We know that many partners of Jobseeker's Allowance claimants want to work. Nearly nine in ten Jobseeker's Allowance partners with children expect at least one of the couple to be in work over the next couple of years, with a third expecting both partners to be working at least part-time. In addition, almost all partners of Jobseeker's Allowance recipients state that they would be happy for their partner to take over childcare responsibilities if they got a job.

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<sup>38</sup> Coleman N., Seeds K. and Edwards G. (2006). *Work Focused Interviews for Partners and Enhanced New Deal for Partners: Quantitative Survey Research*. Department for Work and Pensions Research Report No 335.

### Expecting more of partners

- 6.83 In the Green Paper, we set out proposals to introduce an increased requirement for partners of benefit claimants to look for work. This included more engagement with the partners of benefit claimants who are capable of work, addressing their individual needs to help them overcome any barriers that may be keeping them out of the labour market. Our proposals extended the joint-claims requirement in Jobseeker's Allowance to couples with a youngest child aged seven or over. In addition to couples who are claiming Jobseeker's Allowance, these proposals would affect couples claiming Income Support or the Employment and Support Allowance. We suggested the new joint claims provisions would apply where the partner is able to work; they would not apply to carers.
- 6.84 This White Paper confirms our intention to introduce new measures to provide help that is more appropriate to the individual needs of both members of a couple who do not have children or have older children to assist them return to the labour market. As outlined earlier, following the Gregg Review, we also agree that partners with young children generally fit within the progression to work group and will legislate to enable us to take forward the Gregg vision on the same footing as the proposed arrangements for lone parents.
- 6.85 Couples with older children in which both partners are capable of work will be required to make a joint-claim for Jobseeker's Allowance. Under these arrangements both members of the couple will need to be available for and actively seeking work as a condition of receiving Jobseeker's Allowance. This extends arrangements which currently apply only to couples without children claiming Jobseeker's Allowance to include couples who have dependent children where the youngest child is aged seven years or older.
- 6.86 Where one member of the couple is capable of working but the other is not because, for example, they have restricted capability because of illness or disability then they, too, will be able to access income-related assistance via Jobseekers Allowance only. However, in these cases the partner who is capable of work will make the claim on behalf of the couple and will have to fulfil Jobseeker's Allowance conditionality. The partner who has the health condition will still be able to establish that they have limited capability for work and, if eligible, will be able to claim contributory Employment and Support Allowance in their own right. They will also be able to access additional support through the work-related activity premium if they are prepared to comply with the work-related conditions of the Employment and Support Allowance.



- 6.87 The changes will have two main effects. First, they will extend Jobseeker's Allowance joint-claims to cover those couples with a youngest child aged seven or over who is a member of the same household and for whom they are responsible. Second, they will ensure that income-related support payable in respect of couples where at least one member is capable of work, is available via Jobseeker's Allowance only.
- 6.88 The Government intends to introduce these changes taking a phased approach starting from 2012-13. Table 6.1 summarises the effect of these measures for couples on Jobseeker's Allowance, Income Support and the Employment and Support Allowance where exemptions do not otherwise apply.

Table 6.1: Conditionality for partners of benefit recipients

Claimant of:	Partner capable of work?	Children?	Current conditionality for partner	Proposed conditionality for partner
Jobseeker's Allowance	Yes	Yes – youngest aged seven or over	Worked Focused Interview every six months and access to New Deal for Partners	Jobseeker's Allowance joint-claim, full Jobseeker's Allowance conditionality for both members of the couple
Income Support/ Employment and Support Allowance	Yes	No	Worked Focused Interview at six-month point only and access to New Deal for Partners	Partner becomes main claimant in a new Jobseeker's Allowance claim and full Jobseeker's Allowance conditionality applies. Employment and Support Allowance main claimant can still claim the Employment and Support Allowance
Income Support/ Employment and Support Allowance	Yes	Yes – youngest aged seven or over	Worked Focused Interview at six-month point only and access to New Deal for Partners	Partner becomes main claimant in a new Jobseeker's Allowance claim and full Jobseeker's Allowance conditionality applies. Employment and Support Allowance main claimant can still claim the Employment and Support Allowance

## Conclusion

- 6.89 The proposals in the White Paper reinforce the principle of more support and higher expectations for job seekers the longer they receive benefits. They are aimed at helping ensure short-term job loss does not become permanent unemployment with individuals and their families trapped on welfare.
- 6.90 But along with extra support, we are also expecting more from claimants. By piloting Work for your Benefit for those on Jobseeker's Allowance for two years, we will help people develop work habits and employability skills while underlining their responsibilities to actively look and prepare for work. By requiring claimants with drugs problems to take up treatment options, we will help both them and society as a whole.



## Chapter 7

## Ending child poverty



## Chapter seven – Ending child poverty

### Summary

When children grow up in poverty, it can have a devastating impact on their life chances and lead to big costs for society. So ending child poverty is in everyone's interest and must be everyone's business. This is why the Government has committed itself to enshrining in law the goal of eradicating child poverty by 2020.

Encouraging parents to help contribute financially and emotionally to their children's upbringing is central to achieving this goal. This White Paper confirms the next steps we will take to work with parents to give every child the best possible start in life, including:

- bringing forward legislation to make it easier for unmarried parents to jointly register the birth of a child and strengthen the father's rights to register;
- disregarding child maintenance fully in working out income-related benefits, from April 2010;
- enhancing the powers of the new Child Maintenance and Enforcement Commission to collect child maintenance; and
- supporting more parents into work, through a more active and personalised regime (as described in more detail in previous chapters).

Since 1997, 600,000 children have already been lifted out of relative poverty. These measures will accelerate this progress and move closer to the goal of all children in the UK having the chance to fulfil their potential.

- 7.1 The policies set out in previous chapters of this White Paper are underpinned and driven by a core belief – that the State can increase people's life chances, opportunities and potential. Nowhere is this belief more evident than in our commitment to eradicate child poverty by 2020.
- 7.2 Poverty blights the daily lives of many individuals, families and communities, and touches everyone in society. However, for children, it can have particularly devastating and long-standing impacts, limiting their cognitive, social and emotional development, restricting their educational prospects and damaging their health.



- 7.3 This means that, while some children from low-income households will go on to achieve their full potential, too many do not. This, in turn, affects their own families, trapping future generations in a cycle of deprivation and dependency. Society as a whole has to meet the bill for this waste of potential.
- 7.4 It was for these reasons that the doubling of child poverty in the two decades from the late-1970s to the mid-1990s was so damaging to individuals and the country as a whole. The economic, social and moral case for change was clear, and was why the Government made ending child poverty one of its key priorities.
- 7.5 We have made significant progress in halting and reversing the trend of rising child poverty, with families in poverty benefiting from a substantial increase in government spending on services such as education, healthcare and housing. Since 1997, 600,000 children have been lifted out of relative poverty and absolute poverty has been halved.
- 7.6 Moreover, the UK is at the forefront internationally in the fight against poverty and inequality. Recent research by the Organisation for Economic Cooperation and Development (OECD) has shown that, since the turn of the millennium, income inequality has fallen faster in the UK than in any other OECD country.<sup>39</sup>
- 7.7 We recognise that there is more to do. In 2006-07 there were 2.9 million children in the UK living in relative poverty. And some groups of children remain at particularly high risk of poverty, including children in large families, with disabled parents, or from black and ethnic minority backgrounds. So we are going further, and measures announced since Budget 2007 will lift around a further 500,000 children out of relative poverty.
- 7.8 Ending child poverty is in everyone's interest and must be everyone's business. Achieving this goal requires a sustained national effort involving national government, devolved administrations, local communities and service providers, as well as business and the voluntary sector. It also needs the sustained effort of families themselves to take up the opportunities on offer.
- 7.9 By enshrining in law our goal of eradicating child poverty by 2020, everyone will know they are working to a set, clear goal and have the confidence that government will do its part so they can do theirs. Such groundbreaking legislation – to be introduced in a child poverty Bill in 2009 – will ensure a real focus on ending child poverty for the long-term and an emphasis on tackling the underlying causes of poverty rather than just treating the symptoms.

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<sup>39</sup> Organisation for Economic Cooperation and Development. (2008). *Growing Unequal? Income Distribution and Poverty in OECD Countries*.



## Promoting joint birth registration

- 7.10 Encouraging parents to help provide for their children is central to achieving our goal of eradicating child poverty. One of the starting points of responsible parenthood should be the duty to acknowledge your child. In June 2008 we announced our intention to promote child welfare and parental responsibility by requiring unmarried parents to jointly register the birth of their children. This is a move away from the current position where unmarried fathers have no automatic right to register the birth of their children and thereby acquire parental responsibility and there is no requirement to record the father's identity or details in the birth register.
- 7.11 This position can no longer continue. We recognise that children have a right to know, and to be formally acknowledged and to be supported by, both parents, whether or not those parents live together or are involved in a relationship with each other. Joint registration will allow unmarried fathers to acquire parental responsibility and have the opportunity to fulfil their role as parents.

## A new system of child maintenance

- 7.12 The Government is implementing wide-ranging reforms to the child maintenance system following its White Paper of December 2006.<sup>40</sup> The changes will ensure that parents living apart understand their responsibilities and take appropriate action to provide financially for their children, as part of a new system that is more clearly focused on tackling child poverty. Already, and as a result of our increased investment in the Child Support Agency's Operational Improvement Plan, more children than ever before are receiving maintenance under the two statutory maintenance schemes.

### Child maintenance disregard

- 7.13 Since October 2008, parents claiming benefits have had more choice over their maintenance arrangements. We have also introduced changes to the way that maintenance payments affect benefits, by increasing the amount of maintenance that all parents with care on benefits can keep before it affects the level of support they receive. This is known as the maintenance disregard.
- 7.14 Maintenance payments are now disregarded fully in calculating Housing Benefit and Council Tax Benefit, and by £20 a week in other income-related benefits, double the previous level of £10 a week. While these changes will ensure that more money flows to those most in need, we proposed in the Green Paper *No one written off: reforming welfare to reward responsibility* going even further by disregarding maintenance fully in all income-related benefits.

<sup>40</sup> Department for Work and Pensions. (2006). *A new system of child maintenance*, Cm 6979.

- 7.15 Many respondents to the consultation strongly supported this idea, recognising the targeted impact this would have on child poverty, the positive incentive it would give parents to make and keep to a maintenance arrangement and noting how it would simplify the child maintenance system. We can confirm that a full child maintenance disregard will therefore be introduced in all income-related benefits from April 2010.

### Compliance measures

- 7.16 Some non-resident parents will always do everything they can to avoid their responsibilities to support their children financially. We believe that a strong and robust enforcement regime is therefore critical to tackle those people who wilfully and culpably fail their children and to deter others from doing so.
- 7.17 In 2008, we introduced new legislation that provided a number of new enforcement measures.<sup>41</sup> These new powers enabled the courts to order the use of curfews, enforced by a system of electronic ‘tagging’, and to remove a non-resident parent’s passport or ID card (where it can be used for travel purposes). When the legislation was debated we said that we would keep the new powers under review, exploring how they might be strengthened and made more effective.
- 7.18 This White Paper announces that we will bring forward legislation to give the new Child Maintenance and Enforcement Commission the power to disqualify a non-resident parent from holding or obtaining travel documents, such as a passport, where they wilfully refuse to maintain their children.
- 7.19 Any administrative system would, of course, contain stringent safeguards – including a right of appeal to a Magistrates’ or Sheriff Court – but we believe there is a strong argument that the Commission, with its detailed knowledge of each case may be better placed than the courts to decide if and when such measures are likely to be most effective, thereby ensuring that cases are dealt with as quickly as possible. We anticipate these new powers being available in 2010.

### Prosecutions

- 7.20 Information is crucial to a fair and effective child maintenance system. Under existing arrangements, failure by the non-resident parent to supply the required information or to knowingly supplying false information is a criminal offence. In both cases the offence can be tried only in the Magistrates’ Court (or a Sheriff Court in Scotland) and carries a maximum penalty of £1,000.

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<sup>41</sup> The Child Maintenance and Other Payments Act 2008.

- 7.21 Proceedings for offences that can be tried only in the Magistrates' Court must begin within six months of the offence. This is, in part, to ensure that minor offenders do not have the threat of a prosecution hanging over them indefinitely. However, there are circumstances when this rule is ineffective, particularly where the crime is uncovered so close to the end of the statutory limitation period that the offence cannot be properly investigated and the offender cannot be brought before the court.
- 7.22 This position occurs too frequently in the case of non-resident parents supplying false information. As a result, the number of cases that are taken to prosecution is relatively small. We will therefore extend the time-bar to 12 months to allow discovery and proper investigation of the offence and help to bring about the flow of information necessary to establish and collect child maintenance payments.

### Work is the best route out of poverty

- 7.23 Our changes to the maintenance disregard will mean that lone parents on benefits who are in receipt of child maintenance will be better off, lifting many of them out of poverty. But remaining on benefits, with or without maintenance, is not the best long-term option for lone parents or their children.
- 7.24 A child of a lone parent is three times less likely to be in poverty if they work part-time. This increases to eight times less likely if the lone parent works full-time. The most important part of the solution in our commitment to eradicate child poverty is to encourage and support parents into employment and, once there, to ensure that they can progress.
- 7.25 We have already made significant progress. Around 320,000 more lone parents are in employment compared with 1997, reflecting, for example, our innovative, active, labour market policies and increased investment in childcare that has led to a doubling of available places in England since 1997.
- 7.26 However, we are not standing still. In November 2008 we introduced new benefit rules so that lone parents receive extra support to help them into work. Over time, most lone parents of older children, who claim Income Support solely on the basis of being a lone parent, will stop being entitled to this benefit. Instead they will be able to claim Jobseeker's Allowance or, if they have a disability or health condition, are not well enough to work, the Employment and Support Allowance.
- 7.27 Previous chapters of this White Paper have set out additional measures that the Government will introduce to support more parents, both lone parents and couples, into employment. Chapter 4 of this White Paper set out the Government's response to Professor Gregg's review of conditionality, which would include implementing a more active and personalised regime for parents with younger children. Such a regime would respect parents' choices about employment and childcare where their children are very young. At the same time it would provide them with encouragement and support to stay close to the labour market and make it easier to return to work when they are ready.

### Ensuring work pays

- 7.28 For work to be the best and most sustainable route out of poverty, we must ensure that work pays. We have introduced measures to ensure people do not lose out when moving off benefits and into a job, including through the introduction of the National Minimum Wage and tax credits. We also provide a number of payments when people move from benefit and into employment, including the Return to Work Credit within the Pathways to Work programme and the In-Work Credit for lone parents.

### Conclusion

- 7.29 Ending child poverty must be a national goal and needs a national effort. The measures in this White Paper confirm the Government's intention to step up progress towards eliminating child poverty by 2020.
- 7.30 They will encourage more parents to play an active role in supporting their children, help lift families out of poverty by making work pay and move towards achieving our ambition of giving all children the best possible start in life.

## Appendices

### Appendix A – Responses to the public consultation *No one written off: reforming welfare to reward responsibility*

#### Background

1. We published our Green Paper, *No-one written off: reforming welfare to reward responsibility*, on 21 July 2008 and opened it up for a full public consultation until 22 October 2008.
2. More than a thousand postal and electronic responses were received during the consultation period. This report draws on a representative sample of them and outlines the Government's next steps. More detailed information on how the Government is taking each policy forward is given in the relevant chapters of the White Paper.
3. In consulting on our wide-ranging welfare reform proposals, our aim was to ensure that everyone interested in contributing had an opportunity to comment, and to enable us to gain a better insight into people's opinions on the proposals.
4. For those who were able to attend consultation events, or participate in on-line or media discussions, opportunities were provided to debate the proposals more thoroughly. This helped us to understand where we need to be clearer about explaining the direction we think reform should take, and why we think it is the right direction for a modern day welfare state in which everyone has a positive and contributory role to play.
5. The volume of responses received, and the time and thought people have invested in giving us detailed and constructive feedback, has reflected the understandable level of interest in the future of welfare reform, and the impact it has on all our lives.

## Making information accessible

6. We wanted to ensure that as many people as possible were able to access information on our proposals and produced the Green Paper in a wide range of formats. These included: Large Print; Easy Read; Quick Read; Braille; Audio and a British Sign Language DVD. PDF versions of the main paper and Easy Read version, as well as a Welsh Executive Summary were also available on line at [www.dwp.gov.uk/welfarereform/noonewrittenoff](http://www.dwp.gov.uk/welfarereform/noonewrittenoff). Alternative formats were available at consultation events, and were also distributed on request throughout the consultation period.

## What we consulted on

7. The Green Paper set out our commitment to bringing forward measures to:
  - reduce welfare dependency;
  - support more people into work;
  - provide greater support and control for disabled people; and
  - strengthen parental responsibility.
8. To facilitate the consultation process, the Green Paper included 28 consultation questions, built around the Green Paper proposals, and we invited people to respond to them or to submit their response in any way they preferred. Some people responded on every Green Paper proposal, others on a few, and some on just one of particular interest.

## How we consulted

9. National consultation events in London, Edinburgh, Cardiff and Newcastle were attended by key stakeholders, including the general public. Workshops at the events enabled people to find out more about the Green Paper proposals, raise questions, and offer ideas for how they saw welfare reform being taken forward.
10. Throughout the consultation period, Ministers and officials responsible for developing welfare reform policy participated in regional and local consultation events, and also visited provider and training projects across England, Scotland and Wales, giving unemployed people, employer groups, providers and organisations representing key stakeholders more opportunities to air their views about the proposals.
11. Ministers hosted round-table discussions on welfare reform with key stakeholders and discussed proposals with the public through on-line forums, and radio phone-ins.

12. Ministers also visited Jobcentre Plus offices across Great Britain to ensure staff had opportunities to discuss the proposals with them from the perspective of those who will be delivering reforms to unemployed people.
13. Details of the events, visits and meetings associated with the consultation, as well as written responses to the consultation, were distributed to Ministers and officials involved in developing welfare reform policy. Further details on the range of consultation events can be found on [www.dwp.gov.uk/welfarereform/noonewrittenoff/consultation.asp](http://www.dwp.gov.uk/welfarereform/noonewrittenoff/consultation.asp)

### How written consultation feedback was evaluated

14. Consultation responses were evaluated by the Department for Work and Pensions. A separate evaluation was also commissioned to provide an external perspective on the consultation feedback. Separate public opinion research on some of the Green Paper measures, conducted by GfK Social Research, will be available soon at [www.dwp.gov.uk/welfarereform/noonewrittenoff/consultation.asp](http://www.dwp.gov.uk/welfarereform/noonewrittenoff/consultation.asp)

### Volume of responses

15. In addition to the feedback received at consultation events, and through media and on-line discussions, more than 1,000 written and electronic responses to the consultation were received from the general public, organisations and Jobcentre Plus staff. Responses from Jobcentre Plus employees are expressed as personal opinions and are not necessarily representative of the view of Jobcentre Plus.
16. Responses were received through: the Department for Work and Pensions mailbox; postal correspondence; on-line consultation forms and the House of Commons website. Comments on lone parent and parental responsibility measures were also captured from the Netmums forum. Details are in Table A.1.

Table A.1: Volume of responses to the Green Paper consultation

Response type	Number of responses
From organisations * 7 organisations submitted more than one response	396*
From the general public	303
From Jobcentre Plus staff	136
Captured from Netmums Forum	290
Total	1,125



## What you told us

17. We received an overwhelming response to the Green Paper. The majority of those responding welcomed our commitment to increasing employment and skills opportunities for out-of-work people, particularly for those with the most extensive barriers to returning to work.

We support the Government's objective of helping disabled people and those with health problems into work. Employment is an important source of independence, self-esteem and social inclusion for everyone, and is particularly important for many people with learning disabilities or mental health needs.  
*(United Response)*

Being a person with a disability I was worried how this paper would affect me if my disability got worse and I was unable to do my current job. After some reading I find that I am in agreement and feel that this could have a very positive effect...a person's self esteem can only be improved by being able to provide themselves and their families with a better quality of life.  
*(Jobcentre Plus employee)*

Whilst we support the goal of moving one million incapacity benefit claimants from benefits to work, it must be recognised that employer attitudes to recruitment of people with health conditions and disabilities still pose a barrier as do complexities and 'traps' in the benefits system.  
*(Employment Opportunities for People with Disabilities)*

The board is generally supportive of the direction of reforms in the Green Paper – particularly the proposals to create more personalised support to help with job search and improve employability skills, and which recognise the different barriers people face.  
*(Greater London Authority and Mayor of London)*

18. Many people welcomed the fact that disabled people and those with health conditions are at the forefront of our proposals to reform the welfare state.
19. Towards the end of the consultation period, people raised understandable concerns about the impact of the economic climate on job availability and security. Some felt this was a reason to retreat from reforms, fearing that undue pressure would be put on people to find employment in a highly competitive market.
20. Others, and we agree with them, felt that now is not the time to turn our backs on people and encouraged us to press on with our reforms. Preparing for a return to work, and developing the skills employers need, is an investment worth making.

We would urge the Department to stay on course with reform, and remain steadfast in pursuing the central objectives of reaching those furthest from the labour market, and eradicating child poverty. As recession sets in and unemployment levels rise, it will take some grit and determination to hold firm with proposals which support those people who did not attain sustainable work even in a time of economic prosperity.

*(Turning Point)*

The changed economic climate does not mean the pace of reform should be slowed. It would be easy to assume that the current economic downturn lessens the need to push forward with radical reform of the way we support people in to work. But in reality, the reverse is true. The CBI believes that the economic downturn creates an imperative for action.

*(CBI)*

21. Overall, people broadly welcomed:

- more support to help people back to work, particularly for those with the most employment barriers;
- an increased focus on ability rather than disability;
- a greater focus on offering lone parents, disabled people and people with health conditions the chance to improve their work skills;
- more promotion of volunteering opportunities;
- improved support for benefit claimants who are problem drug users;
- a stronger sanctions regime for those who seek to defraud the system;
- more expectations of employers;
- the doubling of the Access to Work budget;
- more support to help people return to their jobs after a period of ill-health;
- full child maintenance disregard in all out of work benefits;
- measures to increase parental responsibility;
- simplification of the benefits system;
- giving disabled people the right to request an Individual Budget; and
- increased devolution of services for out-of-work people to local areas and local providers.

22. Concerns were raised, or greater clarity or reassurance was sought on:
- what will be expected of those who are referred to the 'Work for Your Benefit' pilot;
  - the implications of increased conditionality for different customer groups and whether such conditionality will increase job outcomes;
  - whether safeguards are in place to ensure that disabled people are not sanctioned inappropriately;
  - whether sufficient childcare is available to enable parents to work;
  - whether employers will offer jobs to people with mental health or fluctuating health conditions;
  - whether the review of the Work Capability Assessment is premature;
  - the suitability of those conducting the Work Capability Assessment and whether they have sufficient understanding of fluctuating and mental health conditions;
  - whether Personal Advisers have sufficient understanding of fluctuating and mental health conditions;
  - how the needs of carers will be met in a reformed welfare system;
  - how some measures will be delivered in the devolved administrations;
  - whether increased provision of services from the private sector, and outcome-based contracts, will benefit those with the most employment barriers.
  - whether people would lose out, in real terms, during the rate alignment process of Incapacity Benefit and the Employment and Support Allowance.

### An obligation to work

23. In Chapter 2 of the Green Paper, *An obligation to work*, we set out our vision of a welfare state in which people do not become dependent on benefits and become detached from the labour market.
24. We said that we wanted to look at escalating sanctions for the significant minority of people who fail to comply with requirements designed to help them return to work.

25. Responses were mixed on this. Some respondents were in favour of increased sanctions for those who abuse the system; others recommended they were used with care, and some raised concerns about the consequences of benefit sanctions on family income.

Barnardo's believes, as the Green Paper acknowledges, that the majority of claimants want to get back into work. Therefore, for those that have not moved into work, there may be some significant barrier preventing them from doing so. It is crucial therefore that compulsion is seen as a last resort only after a claimant has been fully supported to overcome identified barriers.

*(Barnardo's)*

Personal Advisors should take into account that people with significant disabilities in particular people with learning disabilities may not be able to understand and comprehend the request made by them...as a result of this they may incur sanctions.

*(Northern Ireland Union of Supported Employment (NIUSE))*

...while sanctions may act as a helpful incentive in some cases, it is a fairly 'blunt instrument' and great care must be taken to avoid it becoming counter-productive, with people feeling they need to prove why they can't work rather than building aspirations and tackling barriers so they can work.

*(Papworth Trust)*

Skill recognises the need to have sanctions on benefits but would like flexibility to be built into the fortnightly reviews...transport might be inaccessible or difficult particular for some people with mobility impairment.

*(Skill: National Bureau for Students with Disabilities.)*

### How the Government is taking this forward

We intend to bring forward legislation which will mean that those who ignore a mandatory appointment under the Jobseeker's Allowance regime will be subject to a benefit sanction of no less than one full week of Jobseeker's Allowance. We will also ensure that further failures to attend would result in a sanction amounting to the loss of two weeks benefit.

We will ensure that each individual's circumstances are carefully considered before imposing a sanction. We will also maintain the safeguards which are already in place to prevent unfair use of sanctions on anyone, including vulnerable people. We support, and will look to pilot, Professor Gregg's principle of sanction escalation for those who repeatedly fail to attend appointments or undertake required activity.

26. We also asked people to let us know what they thought about proposals for:
- testing up to six months full-time work experience ('Work for Your Benefit') for people who have been claiming Jobseeker's Allowance for two years or more;
  - strengthening the Jobseeker's Allowance regime to deter benefit fraud;
  - expecting problem drug users on benefit to take appropriate steps to support a return to work; and
  - requiring lone parents and those in the Work Related Activity Group of the Employment and Support Allowance to improve their work-related skills.

### Work for Your Benefit

27. In the Green Paper, we announced our intention to pilot mandatory work experience for the small percentage of people who are still unemployed at the end of the Flexible New Deal period. Claimants who reach this stage are likely to have become detached from, or possibly never connected with, the labour market and may have significant barriers to work.
28. Some respondents were opposed to the principle of anyone working for their benefit while others thought it was reasonable that people who had been claiming Jobseeker's Allowance for a protracted period were expected to take up the opportunity to get back into the habit of work.

We are strongly opposed to forcing an individual to work full time in return for their benefits.

*(Poverty Alliance)*

Once someone has been on Jobseeker's Allowance for 12 months, I think they should be made to work part time for their benefit. Once they've been on Jobseeker's Allowance for 2 years, the requirement should be full time.

*(Individual)*

Broadway broadly welcomes the principles behind the Work for your Benefit scheme.

*(Broadway)*

29. Three consultation questions were posed on Work for Your Benefit to draw out people's views on how long it should last, how it could be incentivised, and whether it could be used as an alternative to a benefit sanction. Examples of responses to all three questions are provided below.

**Question 1: How long should 'Work for Your Benefit' last at different stages in the claim?**

A person should work for their benefit until they enter on to a work/skills related training programme or find employment.

*(Joint Partnership response: Wakefield Skills Enterprise and Work Partnership)*

There is little evidence that workfare increases the likelihood of finding work. It can even reduce employment chances by limiting the time available for job search and by failing to provide the skills and experience valued by employers.

*(Child Poverty Action Group)*

Work for your benefit should only be used as a last stage, for repeat claimants, and where fraud is suspected.

*(Summary of response from group of London Housing Association residents)*

...if the community work continues for more than 12 weeks and the customer is meeting the requirements of the person managing their work, they should be paid the minimum wage for the number of hours work they undertake, rather than Jobseeker's Allowance.

*(St. Mungo's)*

It should become a permanent feature after 12 months of claiming Jobseeker's Allowance to give people both work and social skills and should be presented positively rather than as a stick and promoted as helping the individual find work and overcome barriers.

*(Individual)*

Would depend on why the person is being required to work for their benefit. It should be an experience that gives the claimant the reality of full time work as well as the opportunity to get to know the organisation, staff team and clients well. Where possible, training should be linked to the placement and for some there may a need to develop social skills.

*(Sunderland City Council)*

Question 2: How could capacity and capability to provide full-time work experience in the community sector be provided and incentivised to produce the best employment outcomes for participants?

It is critical...that it is structured and helps to create a pathway to sustained employment. This will require a range of activities to be available, in line with the greater personalisation of welfare to work services.

*(Employment Related Services Association (ERSA))*

Given the Government's commitment to full-cost recovery for the voluntary sector, Rethink believes that community sector organisations should be paid for providing this kind of work experience.

*(Rethink)*

We need investment in work programmes as there simply are not jobs that could provide a living wage in a lot of areas.

*(Individual)*

DWP should make additional funds available to support the voluntary sector create and sustain suitable opportunities for individuals to undertake targeted activities that will meet their specific developmental needs.

*(Welsh Assembly Government)*

People need to do activities that build confidence and self esteem alongside developing their skills base. They need to feel that working for their benefits is not about doing low skilled, unrewarding and unrecognised work.

*(Barnet Service User Group)*

Question 3: Is full-time Work for Your Benefit as an alternative to a sanction or loss of benefit for non-compliance with work search requirements an effective option for some job seekers? How should it be targeted?

Work for Your Benefit is likely to be an effective option, and a far more positive step than imposing sanctions through withdrawing benefits.

*(ECAS)*

No, both tools should be utilised. Sanctions exist as a penalty for not complying with the conditions for receiving benefit.

*(Jobcentre Plus employee)*

*continued*



No one should be forced into menial low paid work. Might be useful to encourage claimants to do a period of voluntary work whereby they would not lose benefit but would gain experience and extra reward for trying. i.e expenses or small remuneration for effort'.

*(Individual)*

...making 'sanctions' interchangeable with 'work for your benefit; will reduce the credibility of work experience with both claimants and the community sector. If work for benefit is not to be regarded as a punishment for being out of work then we can see no advantage to this proposal.

*(National Association of Welfare Rights Advisers)*

Work for Your Benefit is preferable to loss of benefit because it should help people move towards a lifestyle which includes the routine of working.

*(South Essex Partnership NHS)*

### How the Government is taking this forward

We will pilot providing up to six months full-time work experience through Work for Your Benefit to test whether the support provided helps long-term unemployed people back to work. We will test the programme in a number of Jobcentre Plus districts, requiring participation from a proportion of those who are still out of work at the end of the Flexible New Deal period, and as a discretionary power for Personal Advisers for those they believe they would benefit.

### Penalties for committing benefit fraud

30. We believe that benefit fraud is theft of taxpayer's money and that effective deterrents and punishments need to be in place. Many people agreed that more effective deterrents were needed to reduce benefit fraud and some felt there was a correlation between lack of work opportunities and fraud.

The penalties should be the same as for any other stealing...there should be zero tolerance...this crime should be taken more seriously.

*(Individual)*

The best way to stop people committing benefit fraud is to make the work opportunities available and the salaries paid (e.g. a higher minimum wage) to make work more attractive to people.

*(Safer Bristol Partnership)*

31. Examples of responses received on the two consultation questions on benefit fraud are given below.

Question 4: What penalties do you think would be most effective to deter more people from committing benefit fraud?

...serious cases of fraud should be dealt with through the processes outlined in the Green Paper and through HM Courts as currently occurs and in less serious cases by reduction of benefit according to the value of over claim or payment.  
*(Nottinghamshire County Council)*

Whilst it is of course very important to prevent fraud within the benefits system, it is also crucially important not to focus so much attention on benefit fraud that the entire benefits system is stigmatised.  
*(Leonard Cheshire Disability)*

The penalties that exist at the moment are adequate...many people fail to claim benefits to which they are entitled as the complexity of claiming and a climate of suspicion trap many in abject poverty.  
*(Individual)*

Anyone who has been proved to have committed benefit fraud by a court of law should not be permitted to apply for benefits for period of time unless the application is genuine by confirmation from the medical profession.  
*(Individual)*

Question 5: Do you think it would be appropriate to reduce or withdraw entitlement to benefit after a first offence? How long should the sanction period be?

Yes, until a process of repayment has been agreed and some repayments have been made.  
*(Jobcentre Plus employee)*

Yes. For as long as it takes the person to pay back the amount stolen plus interest.  
*(Kent Supported Employment)*

We believe it is right to withdraw support after a first offence but only after extensive enquiries have taken place as to the reason for the offence such as illness.  
*(Association of Disabled Professionals)*

*continued*

No. This could lead to further, even violent, crime rather than a reduction in crime.

*(Individual)*

Some sanction after a first offence is certainly necessary but there should be a correlation between the penalty and the offence.

*(Individual)*

For penalties to be an effective deterrent to benefit fraud they need to be well publicised and easy to understand. Claimants need to know when and how they should inform the benefits office of changes in circumstances: communication channels need to be clear and quick, and changes should be implemented without delay.'

*(London Borough of Lambeth)*

#### How the Government is taking this forward

The White Paper confirms that we intend to introduce a new sanction to reduce or withdraw entitlement to benefit for four weeks after a first benefit fraud offence. This will extend the penalty to cover those who commit a first offence which results not only in convictions, but also administrative penalties and formal cautions.

#### Breaking the cycle of drug dependency

32. We think that an holistic approach is needed to help problem drug users tackle their drug and benefit dependency. We received valuable feedback from individuals and organisations with considerable experience of working with drug dependant people.
33. There was general support for the principle of helping drug misusers with chaotic lifestyles to re-integrate with society, and, by doing so, reduce the burden on the taxpayer.
34. Some respondents had concerns about the potential impact of sanctions on drug misusers for failure to disclose use of heroin and cocaine. Others highlighted the important role employers have in making a return to employment a viable option for people recovering from drug misuse.

The Terrence Higgins Trust welcomes the commitment to improve joint agency working to provide support for drug users and agrees that helping individual back to work can be a key strand within this.

*(Terrence Higgins Trust)*

The majority of people on our service user panel had children and had concerns around whether declaring their drug using status to Jobcentre Plus would include referral to social services (children's services)...Fear of social services intervention is already a major factor preventing parents and particularly mothers from coming forward for drug treatment.

*(Addaction)*

Research suggests that to minimise perceived risks for employers an engagement programme providing both information and support to businesses and support to problem drug users once they are in employment will be required.

*(UK Drugs Policy Commission)*

35. Examples of responses to the two consultations questions on our drugs proposals are given below.

Question 6: Do you agree with the proposed approach for identifying problem drug use? How should it be implemented? Do you think that everyone claiming a working-age benefit should be required to make a declaration of whether or not they use certain specified drugs?

The proposal to consider the implementation of a 'treatment allowance' is encouraging. This recognises that treatment can be the most effective route into employment and will enable the client to focus on rehabilitation without the threat of benefit sanctions in doing so.

*(ACT- together tackling addiction)*

We think it highly unlikely that people dependent upon illegal drugs (even supposing that they define themselves as 'drug dependent') would declare their dependency to Jobcentre staff. Many of those with drug dependency are likely to be experiencing other serious mental health conditions, either a result of, or a trigger to, their drug addiction.

*(Social Security Advisory Committee)*

GLADA welcomes the integration of drug treatment with employment support and believes that close cooperation between these two sectors could lead to better treatment outcomes. However in order to support improved employment outcomes for people with a history of problematic drug and alcohol use, a range of other barriers in addition to dependency may need to be overcome.

*(Greater London Alcohol and Drug Alliance (GLADA))*

Question 7: What elements should an integrated system of drug treatment and employment support include? Do you agree that a rehabilitation plan would help recovering drug users to manage their condition and move towards employment?

Rehabilitation programmes which include life skills training...supporting people into stability and then helping people into work. Assistance with transition to work, with a focus on appropriate life skills training and support for clients  
(*Westminster Drug Project*)

While 12 weeks retention in drug treatment is used by the National Treatment Agency as a minimum benchmark for treatment 'effectiveness', research has established that recovery journeys out of long-term drug dependency can take many years.  
(*Drugscope*)

As someone exits rehabilitation it is important to engage them quickly in employment programmes if that is the recommendation of the drugs specialists with whom they are working.  
(*Work Directions*)

The arrangement could include mandatory welfare to work action planning, with engagement on job readiness programmes as an essential part of their treatment plan. The advantage is that the process would focus on individual need, as is the intention of the Green Paper.  
(*Compass*)

#### How the Government is taking this forward

In England, a new drug and employment support programme will be developed to provide integrated and personalised support for drug users on Jobseeker's Allowance or the Employment and Support Allowance. Claimants who are drug users will be referred for an initial assessment with a healthcare professional, who will decide whether they should be referred to the programme. Whilst on the programme they will receive a Treatment Allowance. We are continuing to explore with the Scottish Government and Welsh Assembly Government if these measures can be extended to Scotland and Wales.

#### Improving people's work skills

36. In the Green Paper, we described proposals for improving the employment skills of lone parents and people on the Employment and Support Allowance. Having the skills that employers need is even more important in the current economic climate and people were generally supportive of proposals to increase people's work skills, with some notes of caution about attaching a mandatory element to them.

Skills are an important area for employers as too often they are sadly lacking... we welcome the plans to require Jobseeker's Allowance claimants and encourage Employment and Support claimants to improve their skills.

*(Institute of Directors)*

If a claimant has an identified skills need and there is provision available that meets their individual needs (in terms of childcare and flexibility etc) and will have a significant impact on their employment, earnings and progression then they should be expected to undertake it.

*(London Skills and Employment Board)*

### Skills for people on the Employment and Support Allowance

37. People who have been on Incapacity Benefit for a long time may lack the skills needed to get into sustained employment. We asked people for their views on when we should expect people on the Employment and Support Allowance to take a skills health check.

#### Question 8: When is the right time to require Employment and Support claimants to take a skills health check?

We would advocate giving Employment and Support Allowance claimants a right to a skills health check at the earliest opportunity and to early opportunities to undertake training to gain identified skills and ongoing development opportunities.

*(RADAR)*

We believe that Employment and Support Allowance claimants should take a skills health check when they move into the Work Related Activity Group. This would help to ensure that skill needs are assessed at the start and help inform the development of individual action plans.'

*(Reed in Partnership)*

'Where necessary skills checks should be available from day one; this would ensure that if there is a skills problem it can be addressed immediately. Any reform should...and respond to individual needs when addressing skills

*(Federation of Small Businesses)*

For new claims onto Employment and Support Allowance, skills health checks should be undertaken at 13 weeks as proposed. For Incapacity Benefit clients, skills health checks should be undertaken just after the Work Capability Assessment has taken place and local assessment centres should be made available.

*(Welsh Assembly Government)*

*continued*

13 weeks into the claim would be a good time to check the customer's skills as they would have had time to start their recovery. It is also after the time most short claims have ended thus reducing the number of customers needing to go through this part of the regime.

*(Jobcentre Plus employee)*

38. We also asked people for their views on whether people claiming the Employment and Support Allowance should be required to attend training to improve their skills. Here are some examples of how people responded.

Question 9: Should ESA customers be required to attend training in order to gain the identified skills they need to enter work?

Full training, based on programmes that provide individuals with the basic skills and mobility skills required to enter work, could be helpful with the appropriate support.

*(Welsh Assembly Government)*

If the skills check and accompanying training were made mandatory we would be concerned that without appropriate support people with autism could face sanctions for missing the skills check or training.

*(National Autistic Society)*

...would depend on the skills they already have, or if a return to work would depend on them developing new ones.

*(Individual)*

...it must be ensured that the training and skills provider is fully accessible.

This means that the premises need to be physically accessible, the content of the course needs to be accessible to all impairment groups and also that the trainers delivering the training are trained on making adjustments for disabled learners.

*(Employer's Forum on Disability (EFD))*

For anyone with a long term condition including ME, during this training time, and if training has to stop for health reasons, they should not be penalised, and their full benefits should be continued.

*(BRAME)*



### How the Government is taking this forward

We will run eight pathfinders, requiring the Employment and Support Allowance claimants to undertake some work-related activity, to ensure that they engage with the personalised support we offer. Customers may agree with their personal advisers that skills training would be an appropriate work-related activity, and will be encouraged to do so where this is a barrier to work. If a customer has an identified severe skills need, but refuses to take any action to address this, we may require them to do skills training as their specific work-related activity.

### Skills for lone parents

39. Our Green Paper proposed a requirement, where necessary, for lone parents, to attend a skills health check when their youngest child reaches five. It also proposed a pilot requiring lone parents whose youngest child is five or six to attend relevant skills training. Respondents were also asked to comment on a proposal to pilot a 'skills for work' premium to encourage lone parents with pre-school children to voluntarily take part in these activities in return for the premium.
40. There was general approval for the principle of offering lone parents skills health checks and skills opportunities, and encouraging them to take up such opportunities, but less enthusiasm for introducing any mandatory element.

It is imperative that parents move into suitable, sustainable, and well paid employment. Improving claimants' skills is therefore vital and Barnardo's welcomes the Green Paper's proposals to help claimants, particularly lone parents, to improve their skills.  
(*Barnardos*)

As a single parent, I would welcome a skills health check to identify my strengths and weaknesses for prospective employment as if I had been out of the field for a lengthy period, I would find that helpful.  
(*Lone parent on the Netmums Forum*)

Any moves to require lone parents to perform specific activities (skills health check and training) in return for benefits involving the use of benefit sanctions risks causing severe financial hardship among families.  
(*One Parent Families, Scotland*)

Home educating lone parents as customers cannot enter employment under the planned arrangements, as they are unable to leave their home, or their children.  
(*Individual*)

A compulsory skills interview may be a useful way of ensuring that lone parents know of the provision available. Compulsory participation however is unlikely to enthuse lone parents about the benefits of learning, and relies too much on discretionary adviser decisions.  
(*One Parent Families*)

41. Some of those responding on the general issue of measures to help lone parents into work stressed the importance of available, affordable childcare.

...much progress has been made in the supply and funding of childcare but this does not mean that provision is always available when parents need it at the right quality and at a price they can afford. Daycare Trust is concerned that the drive to encourage more lone parents into paid work could be fatally undermined by a shortage of childcare for older children.  
(*Daycare Trust*)

42. Examples of responses to the consultation questions on lone parents and skills are provided below.

Question 10: In view of the need to help lone parents develop the skills they need to find work, are we right to require lone parents to have a skills health check and training as a condition of receiving benefits?

It is reasonable to give lone parents the opportunity to participate in training at the earliest possible opportunity i.e. when their youngest child is five. This ensures that when they are eventually in a position to participate fully in the labour market they have the skills to do so. This should be in the wider context of making sure it is worthwhile for everyone, but especially lone parents, to be in work.

(*British Chamber of Commerce*)

We welcome the focus on skills as part of a strategy to increase the sustainability of employment...we are unconvinced that compelling participation in training for parents with children aged 5 – 7 yrs is the right way forward. A compulsory skills interview may be a useful way of ensuring that lone parents know of the provision available. Compulsory participation however is unlikely to enthuse lone parents about the benefits of learning, and...relies too much on discretionary adviser decisions.

(*One Parent Families*)

What we are also concerned about is that if a skills gap has been identified in the skills health check it is up to the lone parent adviser to decide in agreement with the lone parent whether and what kind of training s/he should take up.

(*Single Parent Action Network*)

### How the Government is taking this forward

The White Paper confirms our intention to introduce a skills health check for lone parents. In the light of the Professor Paul Gregg Review, we want to expand our proposals to include broader work preparation activity. We therefore intend to pilot measures for lone parents with younger children to address skills gaps that have been identified as a barrier to starting work as well as participation in other work-related activity.

### Question 11: Should we pilot extra benefit payments for lone parents in return for training, and, if so, when the youngest child is what age?

In our experience, where a lone parent understands that training will have a positive impact on their 'job readiness', they will voluntarily engage, as long as childcare is accessible and affordable. Many clients will engage with training without a financial incentive to do so.

*(Work Directions)*

In our view the age of the youngest child should be irrelevant; parents themselves are the best judges of whether engaging in training is appropriate for their family, if a lone parent is willing to take up training it should be encouraged. The scheme should be voluntary.

*(Family Action)*

Yes, this would assist women and the age of the youngest child should be 5 years old as this is the critical time for women to enter the labour market.

*(Women Like Us)*

We welcome the proposal to provide extra benefit payments for lone parents to undertake training courses, and if voluntary, do not feel that a minimum age is necessary – no parent should be excluded if they are able to access appropriate childcare to enable attendance."

*(Citizens Advice Bureau)*

### How the Government is taking this forward

As set out above, we intend to pilot measures for parents with younger children to address skills gaps. We will consider the responses to this question in this context.

### Improving access to full-time training

43. The Green Paper described the recently introduced flexibilities to the 16 hour study rule in Jobseeker's Allowance so that it is no longer a barrier to employment-focused training for people who need it, and have a pathfinder in the West Midlands to test the new approach. This will enable eligible people to take part in full time employment related training for up to eight weeks. Respondents were broadly supportive of this new arrangement.

We fully support the 8 week flexibility and the notion of giving consideration to extend the eight-week period if innovative proposals are put forward that would require this.

*(Association of Learning Providers)*

We have welcomed the announcement that the 16 hour study rule in JSA will no longer be a barrier to employment focused training, and the introduction of a training allowance for undertaking full-time employment-related training for up to 8 weeks.

*(Citizens Advice)*

The Association of Scottish Colleges proposed a modified Jobseeker's Allowance, where benefits would support longer-term full time students, and the Social Security Advisory Committee stated that they "would welcome a general review of the 16 hour study rule in JSA and more thought being given to policies which lift barriers to access to training, incentivise those who participate in training and create a positive attitude towards education and training.

44. We asked stakeholders to tell us about other circumstances which they feel make it difficult for people to get the skills they need to enter employment. Although the question was intended to focus on any barriers presented by any benefit rules, some respondents highlighted other barriers that people experience in gaining the skills they need. Examples of what they told us are given below.

**Question 12: Are there any other circumstances where customers cannot get the skills they need to enter employment under present and planned arrangements?**

We recommend that, as a minimum, services are flexible to need, for example, vocational options could be integrated more widely with Further Education colleges so that training is work focused, flexible and demand led, directed by the employer and local labour market. Funding streams should be flexible enough to support the radical new proposals – we must allow clients to access the help they need, when they need it, without bureaucracy getting in the way.

*(Working Links)*

*continued*

There is a lack of personalised Information Advice and Guidance about possible education, work and career options via careers service or other sources. The “unknown” – disabled people do not know that support such as Access to Work is available in employment.

*(Employers Forum on Disability)*

More support, especially in Housing Benefit is needed for vulnerable claimants to enable them to train for sustainable employment, rather than be pushed into low-skilled, low paid and insecure work which may result in repeat homelessness.

*(Scottish Homelessness and Employability Network and Scottish Council for Single Homeless)*

## Volunteering and developing skills for work

45. In the Green Paper, *No one written off: reforming welfare to reward responsibility*, we acknowledged that voluntary activity can keep unemployed people in touch with the labour market. We invited views on ways in which we can encourage people to volunteer while retaining a clear focus on moving off welfare into paid employment.

Question 13: How might we build on the foundations of the current rules so that they do not discourage unemployed people from volunteering as a deliberate back-to-work strategy, while retaining a clear focus on moving off welfare into paid employment?

...if customers can embark on voluntary work safe in the knowledge that they are not liable to be recalled from it any moment, they will be able to develop the routines and habits that in turn allow them to regain confidence and skills such that they reach a point where they do feel able to take on more responsibility. When they then take on paid work, they will have developed the self-sufficiency required to deal with the new challenge.

*(Action for Blind People)*

Develop strategic partnerships and action plans on volunteering for unemployed people; Allocate resources to implement action plans on volunteering by unemployed people; Incentivise Department for Work and Pensions front line staff to refer claimants to volunteering; keep Department for Work and Pensions front line staff up to date with current policy/rules on volunteering while on benefits; Develop/strengthen local partnerships between Department for Work and Pensions and volunteer centres; send out a positive public message about volunteering while on benefits.

*(Volunteer Development Scotland)*

We believe that Department for Work and Pensions and Jobcentre Plus should do more to communicate the breadth of volunteering opportunities to claimants and to Jobcentre Plus Advisers.

*(Volunteering England)*

### How the Government is taking this forward

Jobcentre Plus is following through with the project proposed in the Green Paper. This will involve key players in the third sector and will look at how we could further promote volunteering opportunities to claimants, and ensure the benefit entitlement rules for volunteers are understood by all.

46. We received valuable feedback, much of which focused on the importance of clear communications to our customers on the rules around volunteering and maintaining eligibility for benefits.

### No-one written off

47. In Chapter 3 of the Green Paper, *No one written off*, we described the increased employment support we want to offer disabled people and people with health conditions, and also talked about the vital role employers have in helping their employees to remain in sustained employment.
48. We asked people to tell us what they thought about proposals to make assessments for disabled people and people with health conditions more work-focused; what we should expect of people who will be able to prepare for a return to work; what assistance they might need, and how employers can do more to support employees back to work after a period of ill-health.
49. We know from responses received that some disabled people and organisations representing them are concerned that our proposals do not acknowledge the very real difficulties some disabled people experience in managing their day-to-day lives.
50. For many people who are capable of preparing for work, this is the first time they will have been given the opportunity and support to do so. Advisers will be able to tell them more about the help that is available to support them into work.

In the past, if your health was poor or you developed a disability, it meant that you were unable to do your job and were likely be signed off sick and potentially heading towards Incapacity benefit. The capability assessment does signal a real step-change in approach, and in that sense, is to be wholeheartedly welcomed. (*Shaw Trust*)

*continued*

Despite very positive elements, including the development of the Access to Work programme, initiatives to tackle work related stress and an increase in supportive employment schemes – I am deeply concerned that the Green Paper and its proposals lack a real understanding of the needs of people with complex mental and physical illnesses.

*(Individual)*

I have helped lots of people back to work who have been claiming Incapacity Benefit or Income Support for long periods of time...I work with a fantastic group of people who are dedicated to helping people back to work.

*(Jobcentre Plus employee)*

51. We expect the Employment and Support Allowance to be a temporary benefit for the majority of people. Work Focused Health Related Assessments (WFHRA) will be conducted at key points in the Employment and Support Allowance claim to identify the type of work people in the Work Related Activity Group will be able to do when they are able to return to employment.
52. Many of those who responded were in favour of the Work Capability Assessment and Work Focused Health Related Assessment being refocused, but stressed that the assessments needed to take account of individual needs, particularly for those with mental health and fluctuating health conditions.

Question 14: Do you agree that the Work Capability Assessment (WCA) and Work Focused Health Related Assessment (WFHRA) should be refocused to increase work-related support?

We support the emphasis in the new Work Capacity Assessment towards what individuals can do rather than what they cannot, although this will require assessors to be fully competent to judge the impact of a mental disorder on an individual's capacity to work in both the short and long term.

*(Mental Health Foundation)*

We support the proposals to re-focus the WCA and the WFHRA on work-related support. We agree that a large proportion of current IB claimants could work, given the right help and assistance. We caution, however, that incentives for individuals are important too, and that without the right incentives, individuals may be unlikely to move off benefits and into work.

*(Association of British Insurers)*

Yes, work related support should encompass a wide range of personalised support. Opportunities for confidence building and skill building activities/ courses are essential for those who have not worked for some time. Also, once people have taken the step back into suitable employment the personalised support should continue for an appropriate period.

*(Mental Health Aberdeen)*

*continued*



It may be that an individual is able to undertake a number of tasks on their own, and other tasks with support. We therefore believe it is vital for the assessments to include work-related support if this increases their opportunity to undertake employment.

*(Metropole Learning)*

The medical test must also take account of a recipient's mental state. This includes treating conditions such as Aspergers Syndrome as learning disorders.

*(Individual)*

53. We will expect people in the Employment and Support Allowance Work Related Activity Group to undertake work-related activity so they are better prepared for the time when they are ready to enter or return to work, and will offer them personalised support.
54. We asked people what expectations there should be of people in this group and whether the activity they undertake should include job search.

#### How the Government is taking this forward

We will evaluate how effective the Work Capability Assessment is at identifying the level of disability and health problems among claimants throughout next year and will publish a report. We will also review how cases are handled once entitlement has been determined. We will establish a maximum of two years between medical assessments and look at how renewals are handled.

Question 15: What expectations should there be of people undertaking the personalised support we will now be offering in the Work Related Activity Group? Could this include job search?

Requirements placed on people receiving personalised support should be directed towards them understanding the benefits of work and having sufficient time with a skilled adviser to build a relationship of trust. Once this is established, what is offered should be based on evidence of what works in terms of supporting people into work.

*(Sainsburys Centre for Mental Health)*

Mind believes it is reasonable to expect individuals to participate in discussions and make informed decisions about the sort of activity that they are able to cope with and that they want to participate in...Mind is opposed to extending these requirements to include job search. This blurs the distinction between the benefits of Jobseeker's Allowance and Employment and Support Allowance and may well force people into stressful and unsuccessful interviews for jobs that they are not ready to take up.

*(Mind)*

What is essential is that the individual has had the appropriate preparation and support before being pushed down the work route. There needs to be flexibility in the process which is not time limited and ensures that the individual is ready. Without this, there is a risk that an individual will be pushed into a job that is unsuitable, or at too early a point. This will ultimately not lead to sustained employment. We would also emphasise that people with a learning disability are all individuals and with different talents and skills to offer an employer. A 'specific' job search must not pigeon hole people with a learning disability into certain job roles.

*(Mencap)*

Jobsearch is an essential skill empowering people to move back into work, but it must be remembered that it comes in all shapes and sizes and what may be useful for some people may be considered as unnecessary repetition for others. Key is to tailor and personalise support to individual need and not take a "one size fits all" approach.

*(A4E – Action for Employment)*

### How the Government is taking this forward

Building on Professor Gregg's Progression to Work proposals, we will run eight pathfinders, requiring the Employment and Support Allowance claimants to undertake some work-related activity, to ensure that they engage with the personalised support we offer. Customers will agree, together with a personal adviser, what activity would be most appropriate for them. This could be anything that helps the individual to move closer to the labour market, including addressing barriers created by health conditions, developing new skills or finding out about the local labour market. In some cases, where customers have severe drugs or skills needs or do not take part in any effective work-related activity, we may require them to do something specific to address their particular barrier to work. Customers would never be required to apply for or take up specific jobs.

### Increased support from Access to Work

55. The Access to Work programme provides funding to help disabled people move into and stay in employment. Access to Work can pay towards the equipment someone might need at work; adapting premises to meet their needs, or a support worker. It can also pay towards the cost of getting to work if a disabled person cannot use public transport, or for a communicator at job interviews.
56. The doubling of the Access to Work budget was welcomed by respondents, typified by the response from the Scottish Government.

The doubling of the budget is very much to be welcomed. We also welcome the indication that the Department for Work and Pensions is seeking to be more flexible in the use of the fund. We would particularly want to ensure that Access to Work is made as responsive and flexible as possible for people with those mental health conditions which are defined as disabilities.  
(*Scottish Government*)

57. Some of those responding to the consultation, expressed concerns about the impact of our reforms on those with fluctuating health conditions, including mental health conditions. We have said that, in doubling the Access to Work budget, we are keen to explore how we can make Access to Work more responsive to the needs of those with such conditions. Here are some examples of what people said to us about this.

Question 16: How can we make Access to Work more responsive to the needs of claimants with fluctuating conditions – including mental health conditions?

Have consistency in the approval process across the country. Allowing applications to be submitted before commencement of employment will help to remove barriers earlier.  
(*Birmingham Economic Development Partnership*)

...acknowledge the proven health benefits of establishing a baseline and then pacing against it, by considering symptoms at their best, worst and average over a given time period...at this point, the person with M.E. should also lay out what kind of workplace environment they need to sustain their health. This could be the option to work from home, having a quiet space within the office to retreat to periodically, modified technology, or simply the knowledge that your colleagues and manager are on your side, not against you.  
(*Action for ME*)

It is important that people accessing the service do not feel stigmatised or that they are making unreasonable requests, especially when at the time of assessment they may appear well and not in need of significant support.  
(*Arthritis Care*)

Better promotion of Access to Work budgets among employers and made a statutory right for all disabled people in employment.  
(*Beginnings*)

58. We also asked people to tell us what could be done to make Access to Work more flexible to help people meet the work-focused requirements set out in the Green Paper. The Employer's Forum on Disability said:

...better understanding among individuals, intermediaries and employers of the adjustments that Access to Work can fund is crucial. Where individuals are required to undertake training, interviews or other work-related activity, it is essential that adjustments and support are provided where needed. If they are not provided, and adequately funded, then clearly the individual will be unable to carry out their duties to the best of their ability.

*(Employer's Forum on Disability (EFD))*

59. Examples of what people said in response to the consultation question on this are given below.

Question 17: What additional flexibilities in the system or forms of support would claimants with multiple and complex problems need to enable them to meet the new work-focused requirements proposed in this Green Paper?

Access to Work could be provided in the form of 'credits', similar to an insurance approach or a 'call out' service (likened to computer maintenance), allowing people to draw on it when required e.g. by securing out-of-hours support, mentoring, counselling or stress management. This could be achieved via partial integration with individual budgets and would enable people with fluctuating conditions to benefit.

*(Disability Alliance)*

Access to Work should support people with learning difficulties in employment.

*(People First)*

We would like to see sufficient flexibility in the funding rules so that if an employer has several employees with similar access needs, it should be possible to pool Access to Work funding, for example, to fund a support worker to support a group of employees.

*(Solstice Nurseries)*

We believe that the case should be made for every disabled person to have a right to Access to Work based upon a full assessment of their in-work needs. This could occur as part of the Work Focused Health Related Assessment, or at an early stage in discussion with a personal advisor.

*(RNID)*

Our principle concerns about the scheme have tended to be that it can be over-bureaucratic; that it is not well enough publicised, and that it could be better funded...much of the bureaucracy could be avoided by making the scheme more portable and more focused on the individual.

*(Leonard Cheshire Disability)*

*continued*

Access to Work could fund external support through specialised supported employment teams to provide in work support to both claimant and employer, therefore assisting the claimant to remain in work, taking lead in encouraging open communication and possible solutions to individual barriers.  
(*Tameside Metropolitan Borough*)

#### How the Government is taking this forward

We announced in October 2008 that we would be piloting flexible Access to Work for people with a fluctuating mental health condition. The pilots are now underway.

#### Engaging employers

60. Welfare reform cannot be taken forward successfully without the active involvement of employers. Apart from demonstrating good employment practices in recruitment, it is vital that employers take positive steps to facilitate job sustainability, particularly when their employees become temporarily unable to work due to ill-health. People responding acknowledged this.

The Scottish Government agrees that many people would benefit from remaining in work as a means of facilitating their recovery from illness or injury.  
(*Scottish Government*)

The Government should be more proactive on employer responsibilities – whether through conditionality, support or incentives.  
(*Mind*)

Some employers and employees do not always appreciate the benefits that employees will gain from initially returning to work on reduced hours of work or modified duties. They may need help to identify working arrangements that will enable these benefits to be gained.  
(*Employer's Engineering Federation*)

61. Medical practitioners also have a key role to play which is why we are working with them on a reform of the 'sick note' as proposed by Dame Carol Black in her Review of the health of Britain's working-age population, *Working for a healthier tomorrow*, which was published on 17 March. We published our response, *Improving health and work: changing lives*, on 25 November and will now change the paper based 'sick note' to an electronic 'fit note' to help focus on what people can do rather than what they cannot.

We are very pleased that the Government is now planning to take forward its proposed reforms to the medical certificate system so that, in the future, this will focus on the work that individuals can undertake and encourage their quick return to work.

*(Engineering Employer's Federation)*

We need to work more closely with GP bodies to make them aware of what is available to encourage them to move away from issuing a sick note...GPs say they have little time to this but an experienced Access to Work Adviser working with the patient, allowing more time in partnership with the surgery, would give that time.

*(Access to Work Adviser, Jobcentre Plus)*

Overall we think this is a positive paper and sets the scene to raise the profile of the work done by those in vocational rehabilitation, including occupational physicians and interested GPs. In particular, we welcome the proposed approach to reward innovation and joint working at a local level in the 'fit for work' pilots.

*(British Medical Association)*

62. A prompt return to work when a person is well enough, can prevent them becoming another long-term benefit claimant. We asked people for their views on the key components of an action plan between employers and their employees to make a quicker return to work a more viable option.

**Question 18: What are the key features of an action planning approach that would best support employees and employers to take the steps for the employee to make a swifter return to work?**

...should be drawn up as soon as possible once the employee is well enough to engage in the planning process. It is usually helpful if the employer maintains supportive contact with the worker or his/her family (without being inappropriately interfering).

*(Faculty of Occupational Medicine)*

We would like to see the availability of 'Disability Leave' so that employees with long term illnesses or disabilities are able to attend appointments for essential services and assessments e.g. for wheelchair assessments or cancer treatments. Key features for action planning should include: agreed clear goals with time scales...a flexible, 'open door' policy to support people at times of crisis...regular reviews with agreed dates.

*(College of Occupational Therapists)*

There is a need to actively engage employers, both to highlight the benefits of supporting their employees with a long-term condition to remain in work and to remind them of their duties under the Disability Discrimination Act. It is equally essential that employees and employers are able to access information about the support that might be available, including examples of best practice.  
(*Parkinson's Disease Society*)

### Ending child poverty

63. Growing up in poverty limits children's life chances. We think that more needs to be done to enable all children to have the same opportunities to progress in life, which is why the Government have committed to enshrining the child poverty target in legislation. In response, the Child Poverty Action Group said:

The Prime Minister's commitment to enshrine the 2020 target into legislation is an excellent step forward, sending a strong signal and lead that child poverty is unacceptable and that all have a role in tackling it. The Child Poverty Action Group believes that correctly constructed such a legal move will help to strengthen and to orientate moves across government towards the 2020 goal.

### Encouraging parents to take more responsibility

64. We believe that more needs to be done to encourage individuals and families to take responsibility for providing for their families to ensure their children are given the best start in life.
65. In Chapter 4 of the Green Paper, *Ending Child Poverty*, we set out measures to further promote parental responsibility. These included a full child maintenance disregard in all out-of-work benefits, to enable children to fully benefit from all the maintenance that is paid for them, and providing the Child Maintenance and Enforcement Commission with strengthened enforcement powers.
66. We also said that we will introduce legislation to require unmarried parents to jointly register the birth of their children to encourage more parents to recognise their parental responsibilities from the outset.
67. Although specific consultation questions were not posed on these, most of those who responded on full child maintenance disregard were very supportive of this measure, including some of those who contributed to the Netmums Forum discussion on it.



### Full Child Maintenance disregard

'I think this is a fantastic proposal!'

'I think the whole maintenance issue needs to be looked at. Firstly, I think it tars all absent fathers with the same brush, that they are all a waste of space who walked out on their children, which is simply not true in many cases. Also, I think they need to evaluate the whole situation regarding earnings, take into account BOTH parents situation.'

*(Individuals on Netmums Forum)*

The Child Poverty Action Group fully supports the full disregard of child maintenance.

*(Child Poverty Action Group)*

We welcome the plans to enable parents on means-tested benefits to keep all of their child maintenance payments. This measure also provides some simplification following the earlier announcement to disregard child maintenance in housing and council tax benefit calculations.

*(Citizens Advice)*

The Law Centre thoroughly welcomes the Green Paper's proposals to fully disregard maintenance earnings and believes that this will have positive implications for the government's endeavours to eradicate child poverty by 2020.

*(Law Centre NI)*

### How the Government is taking this forward

We can confirm that a full child maintenance disregard will be introduced in all income-related benefits from April 2010. We are also bringing forward legislation to enable the new Child Maintenance and Enforcement Commission, without first seeking a court order, to disqualify a non resident parent from holding or obtaining travel documents (such as passports) where they wilfully refuse to maintain their children, and to extend the time-bar on prosecutions for failure to provide information from six to twelve months.

68. Parents on the Netmums forum also discussed Joint Birth Registration and their comments included:

### Joint Birth Registration

'wholeheartedly agree with the registering of fathers. In fact fathers should be involved all the way through from birth.'

'I do think that both parents should be named on the birth certificate for as much as the child to know the fathers name if nothing else. However, this does open up a whole new debate...- gay partnerships how does this affect them?'

'The registering of the birth is fine, I think it is right that both parents are on the birth certificate and I think it's right that both parents get PR, until the point that one parent walks out of the child's life.'

It sounds as though it might be a good idea to re-think the link between the birth certificate and parental responsibility/other obligations. After all, we want to give every child the maximum opportunity to have the right parents listed, for their own sense of identity and wellbeing.

While I think the idea of resident parents being able to keep all of their maintenance payments the idea of forcing unmarried parents to register the birth of their child is not such a good idea – at least until there is a change in the system regarding parental responsibility.

### How the Government is taking this forward

In June 2008 we announced our intention to promote child welfare and parental responsibility by requiring unmarried parents to jointly register the birth of their children. By jointly registering, unmarried fathers will acquire parental responsibility and have the opportunity to fulfil their role as parents.

### A more active regime for partners of benefit recipients

69. In Chapter 4 of the Green Paper, we also explained our plans for helping the partners of benefit recipients into work. Introducing increased conditionality for the partners of benefit claimants met with a mixed response. The proposals apply to partners who are capable of work, and for those without children, and those with children aged seven or under. This would bring the benefit conditions broadly in line with those for lone parents.

We welcome support and encouragement for partners to enter paid employment however have reservations about the appropriateness of JSA conditionality being imposed upon partners. If this conditionality is to be introduced then steps will need to be taken to assure both that it is imposed in a culturally sensitive manner and also that such a new regime does not result in tension between partners, resulting in the breakdown of relationships and the risk of the exposure of more children to poverty.

*(Social Security Advisory Committee)*

It should also be remembered that child poverty rates are disproportionately high among families of Pakistani/Bangladeshi origin and it will be important to check that the proposals (and associated sanctions) do not have the unintended consequence of increasing child poverty within this vulnerable group.

*(Ethnic Minority Advisory Group)*

70. Here are some examples of what people said in response to the consultation question on this measure.

**Question 20: What approaches might be suitable to assist partners of benefit claimant who can work into employment?**

Perhaps paying a flat rate of benefit to each individual and insisting that they each satisfy the conditions. Presently the restrictions on hours of work and earnings disregard for JSA/Income Support are restrictive and discourage a partner to work.

*(Jobcentre Plus employee)*

'The Government could go further and offer support to those families who are not claiming out of work benefits but are "working poor". By offering support and job opportunities to these potential second earners it would assist in lifting more families out of poverty...potential second earners need to be reached and encouraged to find employment.'

*(Women Like Us)*

One member of a partnership where there are children should be encouraged to work as an aid to eradicate child poverty, as both have the responsibility. Similarly, those without children, should also be encouraged to work where possible. If possible both partners should be interviewed together and a joint decision taken. If both are out of work and both are capable of work, both should look for work once the youngest child has reached the age of seven.

*(National Council of Women of Great Britain)*

### How the Government is taking this forward

The White Paper confirms that where at least one member of the couple is capable of work, income-related support will be available via Jobseeker's Allowance only. Couples where both partners are capable of work will be required to make a joint-claim for Jobseeker's Allowance and both will need to be available for and actively seeking work as a condition of receiving Jobseeker's Allowance. We aim to use the Progression to Work pilots described earlier in this Appendix to test new ways of supporting parents with younger children into work. Where only one member of the couple is capable of working, the claim will not be a joint claim. We will put in place exemptions to protect couples, for example where a partner can not work because of ill-health or caring responsibilities, or those with children aged under seven.

### Delivering choice and control for disabled people

71. In Chapter 5 of the Green Paper, *Delivering choice and control for disabled people*, we made it clear that despite the fact that much has been achieved to deliver equality for disabled people, more needs to be done to ensure they have more choice and control over their lives.
72. Giving disabled people a say in how resources are spent on them is one way to increase the choice and control they have. We asked people for their views on the steps we should take to enable disabled people to access an Individual Budget if they want one.
73. The majority of those who responded on this were very supportive of giving disabled people the choice about whether they wish to manage this budget themselves.

DEAC unreservedly supports the principles behind Individualised Budgets .... DEAC views the use of individualised budgets as an opportunity to open up paid employment for people with fluctuating health conditions, including mental health conditions. For instance, an individualised budget could be used, in some limited instances, with the agreement of the employer, to pay for a temp when the person is off work due to their fluctuating condition.  
(Disability Employment Advisory Committee (DEAC))

We are supportive of the principle of additional control and choice of services for those with disabilities. This is being taken forward in Scotland through our policy area of "self-directed support" which refers to the process of giving individuals the ability to control their own budget for social care.  
(Scottish Government)

74. Here are some of the things people said in response to the consultation question on Individual Budgets.

Question 21: What are the next steps in enabling disabled people reliably and easily to access an individual budget if they want one? Should they include legislation to give people a right to ask for a budget or will the other levers the Government has got prove sufficient? What are the safeguards that should be built in? How can this be done?

Individual Budgets can play a key role in helping disabled people enter employment. This can be achieved by allowing individuals to purchase training and/or employment support from a provider of their choice. Allowing people to use their Individual Budget to access volunteering opportunities, or employment advocacy services such as ours will also be beneficial.

*(Breakthrough UK Limited)*

The Cystic Fibrosis Trust welcomes the extension of the Direct Payments scheme and encourages the more flexible approach of Direct Payments, where money does not have to be spent only on tangible 'kit', but also on variable support for people with fluctuating health conditions...It is therefore essential that the process is simplified and that support is offered as this scheme is extended so that the benefit is claimed, rather than being ignored due to its complexity.

*(Cystic Fibrosis Trust)*

Should be made as simple and easy as possible...should be based on self-assessment and person-centred approaches.

*(Individual)*

Within the choice and control agenda, the key to success will be the provision of accessible and accurate information about providers and their abilities to meet the specific needs of individuals...this will have to be based on strong evidence, and, for deaf clients, data that prove the adequacy and success of the services available to them.

*(RNID)*

The majority of disabled people attending Equality 2025 events believe that there is a need for legislation. This belief is based on the history of inconsistent local government promotion (and therefore take-up) of Direct Payments.

*(Equality 2025)*

### How the Government is taking this forward

Our intention is to deliver on this commitment by introducing the right to control with a number of trailblazing public authorities. Evaluation of this initial phase will be used to inform decisions about wider roll-out. We will work closely with disabled people and other stakeholders to ensure that our plans combine increased choice and control with ongoing improvement to public services.

### Simplifying and streamlining the benefit system

75. In Chapter 6 of the Green Paper, *Simplifying and streamlining the benefit system*, we explained why we think the benefit system needs to be simplified. Streamlining the system will make it easier for people to negotiate their way through what is currently a complex system, and make it easier for staff to administer.
76. Although many of those who responded to the consultation were in favour of a system that is easier to negotiate and has greater clarity, some were concerned about the impact of change, or recommended flexibility within a simpler system.

...wholeheartedly support the notion of benefit simplification. BASE is persuaded by the case for a single benefit with additional payments with those who have a disability, whether in work or not, as long as people are no worse off in real terms.

(British Association of Supported Employment (BASE))

77. Here are some examples of what people said in response to one of the consultation questions on benefit simplification.

Question 22: Is a system based on a single overarching benefit the right long-term aspiration? How could a simpler system be structured so as to meet varying needs and responsibilities?

Working towards abolition of Income Support may be a good thing in the long run, but the right approach needs to be taken. Many long-term Income Support customers will only hear "Income Support is going" and become fearful their benefit will stop.

(Jobcentre Plus employee)

We accept that the present benefit system is too complex and that there is a need to reorganise and streamline to enable people who need to access it in times of worklessness, ill health or disability...we would have included recognition of the need to improve take-up of many benefits and how the proposals will seek to help ensure that individuals are enabled to access financial support when they are entitled to it.

(Children in Wales and End Child Poverty Network Cymru)

This is certainly a long-term goal that finds widespread support. Unfortunately, implementation is proving to be very difficult...simpler methods of updating the benefits system could be achieved via a review of the current earnings disregard for means-tested benefits.

*(Lancashire County Council)*

We believe that moves to simplify the benefit system and make it easier to understand for claimants are to be welcomed. There must however, be sufficient support for those for whom work is not a short term possibility and the system should incorporate top up payments for those with conditions which incur extra costs.

*(Crisis)*

#### How the Government is taking this forward

We believe a simpler benefit system can enable more personalisation to better meet the needs of individual customers. We will continue to explore models to reform the benefits system, including further work looking at a single income-replacement between for people of working age.

#### Carers on Income Support

78. Abolishing Income Support would be a significant step towards benefit simplification. Taking this step would mean moving lone parents with younger children and carers onto a modified JSA.
79. Carers, and groups representing them, registered considerable and strong concerns about this. While some welcomed the opportunity for carers to access employment or training support should they want it, others saw the move as an indication that they would be expected to combine their caring responsibilities with job search.

We also welcome the proposal to create a 'benefit system that cannot only adapt to the specific needs of carers, but also helps prepare them for their future'...we therefore agree that a modified system of Jobseeker's Allowance, that would not require them to undertake work-focused activity to keep their benefit, but would mean support is available when they are ready, would work for carers.

*(Every Disabled Child Matters)*

We reject the proposal to require carers currently claiming Income Support to claim Jobseeker's Allowance. Even though this would be a modified version of Jobseeker's Allowance without conditionality, the name is insulting to carers and it does not provide recognition of carers' contribution to society.

*(Carers UK)*



80. In their report, *Valuing and Supporting Carers*, published on the 29 August 2008, the Work and Pensions Select Committee said:

Carers need more specialist return to work support. In order to deliver that, Jobcentre Plus needed better trained staff and specialist return to work programmes. We welcome the Government's commitment to training for Jobcentre Plus staff and care partnership managers in every Jobcentre Plus district.

81. Here are some examples of what people said in response to the consultation question on moving carers onto Jobseeker's Allowance.

Question 23: Would moving carers currently on Income Support onto Jobseeker's Allowance be a suitable way of helping them to access the support available to help combine caring with paid work or preparing for paid work?

We agree that carers should be offered work-related support. However, we do not believe it is appropriate to expect carers to claim a benefit called Jobseeker's Allowance. The Carers Strategy states that a key principle to guide benefit should be recognising the contribution that carers make. Categorising carers as 'jobseekers' is contrary to that principle.  
(Age Concern)

If carers are not required to look for work or be available to start work immediately, it is misleading and insulting for them to be receiving a benefit called Jobseeker's Allowance. It does not recognise that they are already doing a job which is valued by society.  
(Carers UK)

For many caring is full-time work, including a great deal of overtime. The PM has expressed his admiration for this 'amazing' work. Putting carers on Jobseeker's Allowance would be an insult.  
(Carer Watch)

Whilst simplification is needed, and the complexity of the current system is a barrier to carers accessing financial support, this must be balanced with the need to recognise carers' unique circumstances and contribution to society. We do not believe that carers can be properly supported in a single benefit for all working age people.  
(Carers NI)

(continued)

Carers deserve recognition for their hard work – by moving them onto Jobseeker's Allowance it infers that the work carers do isn't 'proper work' – how can carers who care 24/7 combine caring with paid work, who will look after their caree – paid care-workers who cost far more per hour than the pittance carers get.  
(Carer)

### How the Government is taking this forward

Responding to concerns raised during the consultation we will not move carers from Income Support until we have a clear and detailed plan setting out how we will make changes to carers' benefits. We will, of course, discuss these plans with stakeholders as our work on streamlining the benefits system progresses

### Smoothing the transition to the Employment and Support Allowance

82. The Employment and Support Allowance was introduced in October 2008. People currently claiming Incapacity Benefit will gradually be moved over to the new benefit, which has different structures of rates and allowances. There was concern that during this process, customers will face a benefit loss in real terms.

Of concern is the proposal that incapacity benefits will in future be uprated annually through the ROSSI index and not Retail Prices Index (RPI). ROSSI excludes housing costs, rent and council tax on the grounds that these costs are usually met by the State. It will therefore mean lower levels of uprating and potential loss of income for all IB/ESA claimants. Whilst ROSSI is currently higher than RPI this is likely to be a temporary situation, and we therefore do not support this proposal.

(RNIB)

The proposals under *Smoothing the transition to the Employment and Support Allowance* means cuts to the real value of National Insurance benefits – we assume that bringing benefits into line means under-inflating various elements. The proposal will simply make disabled people and their families worse off and have a negative effect on child poverty.

(Child Poverty Action Group)

#### How the Government is taking this forward

We are proposing a modification to proposals in the Green Paper so that, although we still move to align Incapacity Benefit and the Employment and Support Allowance over time, no Incapacity Benefit claimant will see their benefit frozen in 2009.

#### Reforming the contribution conditions

83. In the Green Paper, we said that we want to strengthen the link between claiming contributory benefits and periods of recent work. At the moment it is possible, for example, to qualify for a lifetime of contributory Employment and Support Allowance or Jobseeker's Allowance after as little as 12 weeks' work at the national minimum wage, or three weeks as a higher-rate taxpayer. We do not believe that this is fair and we said in the Green Paper that we intended to reform the rules.

#### How the Government is taking this forward

This White Paper confirms our intention to take the proposals in the Green Paper forward. From 2010, new Employment and Support Allowance and Jobseeker's Allowance claimants will only qualify for contributory Employment and Support Allowance or Jobseeker's Allowance if they have paid contributions for a minimum of 26 weeks. Payment of these contributions will need to have taken place in the last two tax years, rather than in the last three, as is currently the case. These two new conditions will be the same as those for Jobseeker's Allowance.

#### Wider reform of the benefits system

84. As part of the move toward benefit simplification, we are also considering whether other benefits need to be revised and updated so they are better equipped to meet the needs of those claiming them.

#### Bereavement Benefit and Industrial Injuries Disablement Benefit

85. We asked people for their views on the best way to deliver benefits for those who suffer bereavement, and also those who are injured, or contract a disease as a result of their work.
86. We invited people's views on how these benefits could be reformed to better meet the needs of people in a modern welfare state.

Question 24: How might we reform Bereavement Benefit and Industrial Injuries Disablement Benefit to provide better support to help people adjust to their new circumstances while maintaining the work focus of the modern welfare state?

#### Bereavement Benefit

Long term bereavement benefits, such as widowed parent's allowance, may be time limited to ensure that the families benefit from the work support services, or they could be given access to those services on a voluntary basis or – after a suitable period of perhaps two years – on a mandatory basis. However this is addressed, it should be recognised that reaction to bereavement takes varied forms and these need to be addressed in the personalised support offered to these families.

*(Islington Primary Care Trust)*

Examine it in detail and provide a one-off lump sum to a bereaved and financially dependent person, possibly with a smaller sum to one who is financially independent.

*(National Council of Women of Great Britain)*

#### Industrial Injuries Disablement Benefit

For those with non-life threatening but progressive illness, and those with low assessed disability who are potentially eligible for benefit by aggregation, the option should exist to claim a worsening of circumstances (as now); but thought should be given to using the lump sum payment creatively, through a new Retraining Allowance, to encourage and assist a change of vocation in circumstances where continuing occupational exposure causes health deterioration.

*(Industrial Injuries Advisory Council)*

We suggest that these benefits remain as they are but give individual claimants the option to participate in work related activity and programmes on a voluntary basis.

*(Welsh Assembly Government)*

The best way to reform Industrial Injuries Disablement Benefit for asbestos victims to help them to adjust to their changed circumstances is to stop treating Industrial Injuries Disablement Benefit as a 'benefit' and to treat it properly as compensation so that recipients do not lose their means tested benefits pound for pound...

*(Asbestos Victims Support Groups Forum – UK)*

Question 25: Are lump sum payments a good way of meeting people's needs? Do they give people more choice and control? Could we make more use of them?

There are arguments in favour of delivering state compensation by way of lump sum rather than regular weekly payments...a full and final lump-sum payment has the added advantage of clarity of purpose, being fitted to a situation of state-funded no-fault compensation.

*(Industrial Injuries Advisory Council)*

Macmillan believes that widowed parents face a genuine loss in income with which to support their family that is not linked to the employment status of the surviving partner and that a one-off payment is unlikely to compensate for this loss.

*(Macmillan Cancer Support)*

There is a need for a system that appears simpler, clearer and less unjust to people; has fewer negative outcomes for people as a result of interactions with tax credits; and has more transparent and easier access for people coping with grief and shock.

*(University of York)*

#### How the Government is taking this forward

We will continue to look at options to replace Bereavement Benefits with lump sum payments to offer help when it is needed most. We will publish the proposals and an impact assessment for consultation in due course.

*(Bereavement Benefit)*

We believe that there remains a strong case for continuing to provide particular support for people whose disability arises from work and we think the current Industrial Injuries Disablement scheme is the best way to do this.

*(Industrial Injuries Disablement Benefit)*

#### Reform of the Social Fund

87. In the Green Paper, we said we were interested in the scope for the Budgeting Loan Scheme to provide more effective help to allow more people to overcome financial exclusion and return to work. This was welcomed by respondents.

We welcome the commitment to create an enhanced budgeting loan scheme... we believe the Government should push forward with its aspirations in this area. A renewed and improved budgeting loans scheme, extending the availability and size of loans and linking recipients to a wider financial inclusion agenda would be of huge help to low income families.

*(Save the Children)*

We would like to see the DWP instigate an open debate about reform of the social fund, which enables the fund to become a more positive source of assistance for people on low incomes. The debate should include whether and how the social fund, particularly the loan scheme elements, could be delivered in a different way to people in need of more affordable borrowing, for example could funds be distributed, and repayments collected via financial institutions or third sector lenders.

*(Citizens Advice)*

#### How the Government is taking this forward

We have begun a programme of discussion on the future of the Social Fund with proposals for a new approach which centres on plans to work with the voluntary sector to make our service even better and promote greater financial inclusion for its customers which will provide better financial advice and support in difficult economic times.

### Empowerment and devolution – a new way of delivering our services

88. In Chapter 7 of the Green Paper, *Empowerment and devolution – a new way of delivering our services*, we said that we want to go further in devolving more power to individual customers, local partnerships and providers.
89. While providers were broadly supportive of Devolution and Right to Bid proposals, there was a mixed response on the general principle of further contracting out of services. Some respondents were in favour of the greater choice this would give unemployed people; others felt that such services were best delivered by Jobcentre Plus, and were concerned that smaller providers would be priced out of the market of that larger providers would 'cherry pick' good ideas from them.

We welcome the proposals to devolve more power, and increase flexibility at the local and sub-regional level to meet specific needs. Too often local can mean regional, and for a city the size of Birmingham, even sub-regional can be too far removed in providing an appropriate response to issues in local neighbourhoods.  
*(Birmingham Economic Development Partnership)*

We do not accept that private/voluntary sector involvement needs to be expanded...the Trades Union Congress believes that the public sector has strengths that are often not recognised.  
*(Trades Union Congress)*

Remploy strongly supports the contracting out of service provision for unemployed job seekers and welcomes a move towards an outcome based payment system.  
*(Remploy)*

Jobcentre Plus is the only organisation with the nationwide capacity to provide this service on a universal and equitable basis. Jobcentre Plus has thousands of dedicated, experienced and highly skilled advisers who are best placed to provide this service. We do not want this service to be replaced with an untried and untested private sector.  
*(Public and Commercial Services Union)*

We welcome the Government's commitment to harness the innovation of the private and voluntary sectors – and the positioning of this commitment as a key component of strengthening personalised support.  
*(Tomorrow's People)*

90. We want to encourage innovative ideas for delivering services and will put a 'Right to Bid' in place. We said that if providers can think of ways to improve services to help more people back to work, we wanted to hear about them. We asked people for their views on implementing this.



Question 26: What information would providers need to make the Right to Bid effective? How would the evaluation process need to work to give providers confidence that their ideas would be evaluated fairly and effectively? How do we get the balance right between rewarding those who come up with new ideas and the obligation to tender for projects?

...would like to see reforms to the current commissioning and procurement process including publication of funding available across all Government departments and agencies for specific themes and/or client groups e.g. employment or skill development; clear guidance on local area requirements to be published with tender documents to enable new providers to compete on an equal basis with existing provider whom may be under performing; service commissioning should be more joined up.

*(Shaw Trust)*

We strongly welcome the right to bid proposals in the Green Paper...third sector organisations who do not think of themselves as primarily focused on supporting people into employment could have much potential to bring to the department's work.

*(Association of Chief Executives of Voluntary Organisations (ACEVO) )*

A key criteria for Right to Bid funding must be the ability to evaluate and disseminate findings...thus ensuring small, local projects have the opportunity to have a longer-term, wider impact, possibly of a national nature.

*(Enham)*

We suggest the introduction of an 'Employability Innovation Fund' which would allow for investment and the testing off higher risk innovative projects and schemes. Such a fund should be locally administered, taking into consideration local employability strategies and agreements, be based on identified need and solely focused on encouraging innovation and trying new approaches.

*(VONNE)*

...there is a need for providers to be marked on how much they are working directly with employers e.g. through Local Employment Partnerships.

*(Centre for Cities)*

This could potentially provide opportunities for smaller organisations or those with a niche interest to get funding for a very specific project. However, more information would need to be available about the outcomes expected and the funding mechanism (e.g. up front funding or by results?)

*(Leeds City Council)*

91. In the Green Paper, we said that Jobcentre Plus is recognised as one of the best back-to-work agencies in the world. We also said we believe that services for unemployed and disadvantaged customers are enhanced through delivery by a range of providers.

We are very encouraged by the model of three tier devolution set out in the paper. It allows all sub-regional and local partners to contribute to commissioning and for the most developed partnerships to take the decisions in their areas. We also welcome the right to bid, which local partners could use to promote innovation and improvement to the employment and skills services in their areas.  
(*Local Government Association*)

Specialist disability services may be affected if large-scale providers do not work alongside local specialist services.  
(*National Delivery Group Scotland*)

Question 27: What would the processes around contributing to commissioning and performance management look like in a range of different partnership areas? How might they best be managed to achieve the desired outcomes?

...we would argue that there is the need for a contractual obligation to be included in future contracts to ensure that the Prime Contractor sub contracts work to local delivery organisations. We believe that the whole principle of Prime Contracting should be evaluated and questioned against both value for money and defined impacts.  
(*Gateshead Council*)

Work with Local Strategies Partnerships that receive Working Neighbourhood Funding – and City Strategy Pathfinders (with major ethnic minority populations) – to consider how they can support and deliver improved outcomes for ethnic minorities.  
(*London Borough of Southwark*)

We would expect that such commissioning strategies would be more outcome focused, better informed by the needs of diverse communities and result in clear employment pathways that incorporate health, social services, voluntary sector employment projects, education, and employment services in delivering improved local employment outcomes.  
(*Islington Council and Islington PCT*)

...would want clauses in contracts that meant joint working became standard practice.  
(*West London Working*)

A4E believes that simplicity lies at the heart of effective commissioning. However, this simplicity needs to extend beyond the conceptual level into how different models of partnership operate in practice. City Strategy Pathfinders are a prime example of where a simple and elegant concept – uniform employability objectives to meet the specific needs of a discrete geographical area – has been undermined by a complex executive framework.  
(*A4E*)

92. We want to test out the feasibility of rewarding providers for the benefit savings made as a result of them helping more unemployed people into work, particularly those with the most employment barriers.

We advocate contracting with payments by results from benefits savings; we would also like to see more funds directed at the jobseeker for providers to remove barriers that have a financial remedy. Addressing complex, multiple and transitional barriers inherent of a chaotic lifestyle and in those furthest from the labour market is expensive. We must not compromise on the support given if we want to sustain progress. By allowing this flexibility we would expect to see outcomes increased. We therefore look forward to the results of the DEL/AME pilots.

*(Angus Knight UK)*

Any funding mechanism that relies on outcome related funding risks having those people with complex needs being 'parked', with those customers who are 'easiest' to assist being given most support.

*(Disability Employment Advisory Council)*

93. We asked a consultation question around this proposal and examples of people's responses are given below.

Question 28: How could a link be made to the radical proposals for the pilots set out in Chapter 3 which seek to reward providers for outcomes out of the benefit savings they achieve?

The simplest way to link programme provision to this system is clearly through viable funding derived using realistic performance measures...It will be important that the three DEL/AME pilot areas are used as intended to incentivise providers to better performance using benefit savings, and not merely to find ways to find the balance of funding to properly fund FND to the levels it should be in the first place.

*(Association of Learning Providers)*

...the financial return to providers should be capped and benefit savings above this level should be reinvested into the area. Evaluation of the pilots should be ongoing to allow a phased implementation during the 3-year pilot period. Additionally this will require local reporting of DWP contracts.

*(Wirral Economic Development and Skills)*

Where local partnerships have demonstrated maturity and an ability to focus public sector delivery on worklessness, they should be allowed to co-design the pathfinder proposals in their areas.

*(Glasgow Works)*

*continued*

If this system was underpinned with a commitment to meet the full costs of delivering a service then it could be an effective way to demonstrate both the financial and social benefits of effective service delivery. But if benefit savings were to be the sole source of funding for the delivery of this service it would inevitably create a hand-to-mouth funding regime that would not lead to long-term solutions.

*(Future Builders)*

#### How the Government is taking this forward

We will begin testing and exploring using the benefit savings achieved from supporting claimants back into work to reward providers in the private and voluntary sector. By offering the prospect of greater returns, these new, primarily outcome-based contracts, may encourage private and voluntary sector providers to invest more of their own capital and be more innovative in the way they deliver their support.

We will also:

- trial a single employment programme for people on Employment and Support Allowance and Jobseeker's Allowance;
- support innovation through Right to Bid;
- devolve to local level by combining or aligning funding.

94. Finally, we asked a question on the effectiveness of the evaluation and monitoring systems for City Strategies.

#### Question 29: How effective are current monitoring and evaluation arrangements for City Strategies?

The current monitoring and evaluation arrangements for City Strategies have a number of areas for improvement. Both the definition and measurement for deprived areas should be reconsidered and brought in-line with the national indicator set for Local Area Agreements. This would require a change to both the spatial focus, which is currently pre-determined by DWP and based on 'old' ward boundaries and also the benefits used to measure worklessness.

*(Wirral Economic Development and Skills)*

*continued*

Emphasis must be on ensuring the delivery of services which are complementary to current mainstream provision. The focus should be on enhancing local services, not duplicating them, by identifying and filling gaps in delivery.... success will depend on the level of buy-in achieved at all levels from the holders of other funding streams. This will require ensuring that the objectives and methodological approaches are aligned.

*(Work Directions)*

One weakness of the monitoring system is the fact that City Strategy Partnerships have to do a lot of networking and communication to keep DWP and other departments up-to-date even though time is spent on monitoring returns. It would be ideal if the returns were utilised as informing documents in a more structured way and utilised to share best practice and lessons learnt and to inform policy.

*(West London Working)*

## Next Steps

95. We are very grateful for the time and effort people have invested in giving us feedback on our Green Paper proposals. We will introduce a Bill in the current Parliamentary session to take forward our welfare reform measures. We will continue working closely with key stakeholders and key partners in the further development of our policies to help people improve their skills and move into sustained employment.

## Organisations responding to the Green Paper consultation

A4E – Action for Employment	Association of Learning Providers
ACT	Association of Scotland's Colleges
Action for Blind People	Ayr College
Action for ME	Ayrshire and Arran Alcohol and Drug Action Group
ADASS (Association of Directors of Adult Social Services)	Barnardo's
Addaction	Barnet Service User Group
Adfam	Basingstoke Constituency Labour Party
Advice NI	Beginnings
Affinity Sutton Group	Birmingham Economic Development Partnership
Age Concern	Black Disabled People Association
AHRC Centre for Law Gender and Sexuality	Blackburn District Trades Council
All Parliamentary Group on AIDS	Blackburn with Darwen City Strategy Consortium
All Wales Forum of Parents and Carers and people with learning disabilities	Bolton Active Disability Group for Everyone
Angus Knight UK	Bradford Alliance on Community Care (BACC)
Anti Poverty Network Cymru	Bradford's Strategic Disability Partnership
Arthritis Care	BROME
Asbestos Victims Support Groups Forum UK	Breakthrough UK Ltd
AS-IT Community Interest Company	Bridgend Communities First
Association for Spina Bifida and Hydrocephalus (ASBAH)	Bristol Homelessness Consortium
Association of British Insurers	British Association for Counselling and Psychotherapy
Association of Chief Executives of Voluntary Organisations (ACEVO)	British Association of Supported Employment (BASE)
Association of Disabled Professionals	

British Chamber of Commerce	Children in Wales and End Child Poverty Network Cymru
British Humanist Association	Chill4Us
British Medical Association (BMA)	Chronic Pain Policy Coalition
British Society of Rehabilitation Medicine	Church Action on Poverty
British Telecom (BT)	Church of Scotland
Broadway	Citizen Advice
Buckingham Primary Care Trust	Citizen Advice Northern Ireland
Business Action on Homelessness	Citizen Advice Scotland
Capability Scotland	Citizen's Income Trust
Capital City Partnership	Clic Sargent
Cardiff University - School of Psychology	Clifton House Carers Group, York
Carer Watch	College of Occupational Therapists
Carer's NI	Commission for Rural Communities
Carer's UK	Commission for the Compact
Carers Network Westminster	Community Pride Initiative
Carers Resource	Community Voice
Carers Wales	Compass
CBI	Concateno PLC
Centre for Cities	Co-operatives UK
Centre LGS	County Durham Learning Disability Service
Centrepont	Create and Community Sector
Ceredgion 50+ forum	Criminal Justice Intervention Team
Chartered Institute of Housing	Crisis
Chartered Society of Physiotherapists	Crisis Centre Ministries
Child Poverty Action Group	Curam Software Ltd
Children in Scotland	



Cymorth Cymru	Edinburgh's Telford College
Cystic Fibrosis Trust	Education Otherwise
Daycare Trust	Education Otherwise Disability Group
Deaf Connections	Elena Jeffers Foundation
Denbighshire Advice Network	Elmwood College
Derbyshire County Council	Employability Forum
Derbyshire Drug and Alcohol Action Team	Employer's Forum on Disability
Derbyshire Unemployed Workers Centres	Employment Opportunities for People with Disabilities
Devon and Cornwall Constabulary	Employment Related Services Association
Disability Action in Islington	Enable Local Area Coordination Team
Disability Action Northern Ireland	Enable Scotland
Disability Alliance	Engineering Employer's Federation (EEF)
Disability Awareness in Action	Enham
Disability Benefits Consortium	Equality 2000 Ltd
Disability Employment Advisory Committee (DEAC)	Equality 2025
Disability Wales	Equality and Human Rights Commission
DLA Help Group	Equality Commission for Northern Ireland
Drugscope	Equinox
EAPN England	Ethnic Minority Advisory Group
East Glasgow Community Health and Care Partnership	European Association for the Treatment of Addiction
East Renfrewshire Council	Every Disabled Child Matters
ECAS	Faculty of Occupational Medicine
ECHG Assertive Outreach Service, Bristol	Falkirk District Access and Assessment Group
ECHG Night Centre	Families need Fathers
Edinburgh University Students Association	

Family Action	Harvest Housing
Family and Parenting Institute	Hastings CSA PCS Branch
Federation of Small Businesses	Help the Aged
Fife Gingerbread	High Peak CVS
Foundation for People with Learning Disabilities	Highland Employment Network
Future Builders	Homeless Link
Gateshead Council	Inclusion Scotland
GLADA – Greater London Alcohol and Drug Alliance	Industrial Injuries Advisory Council (IIAC)
Glasgow City Council	Institute of Directors – IoD
Glasgow Community Planning Partnership	Institute of Directors NI
Glasgow Homelessness Network	Institute of Public Policy Research
Glasgow Works	Institution of Occupational Safety and Health
GMB	Islington Clients of Drug and Alcohol Services (ICDAS)
Goals UK	Islington Council and Islington Primary Care Trust
Gofal Cymru	John Wheatley College
Greater Glasgow Network of Supported Employment (GNSE)	Joseph Rowntree Foundation
Greater London Authority and Mayor of London	Kent County Council
Greater Nottingham Employment and Skills Board (GNESB)	Kent Supported Employment
Green Party	Kilmarnock College
Groundwork UK	Kirkless Benefits Advice Service
Group Risk Development	Lambeth Drug and Alcohol Partnership
Haemophilia Society	Lambeth Pensioners Action Group
Haringey Community Link Forum	Lancashire Association of Trade Union Councils
Haringey Council	Lancashire County Council
	Law Centre NI

Law Society of Scotland	Mencap
Leeds City Council	Mencap Cymru
Leeds City Region	Mental Health Aberdeen
Leeds Involvement Project	Mental Health Foundation
Legal Services Commission	Metropole Learning
Leonard Cheshire	Mind
Leonard Cheshire Disability's – Supported Employment Service and Highland Employment Network (SUSE)	Mind in Croydon
Ley Community	Motor Neurone Disease Assoc
Lifeline	MS Society
Links UK	NASUWT
Local Government Association	National Aids Trust
London Advice Services Alliance and Toynbee Hall	National Association of Welfare Rights Advisers
London Autism Rights	National Autistic Society
London Borough of Hackney	National Board of Catholic Women
London Borough of Lambeth	National Care Advisory Service
London Borough of Southwark	National Council for Women of Great Britain
London Councils	National Farmers Union
London Drug and Alcohol Network	National Housing Federation
London Visual Impairment Forum	National Institute of Adult Continuing Education (NIACE)
Low Income Tax Reform Group	National Union of Students
Macmillan Cancer Support	National Union of Students (Scotland)
Maidstone Carers Project	National Voices
Manchester City Council	Neurodiversity Rights Movement
ME and you Aberdeen	New Directions
Medway Council	Newcastle City Council

NHS Greater Glasgow and Clyde	Plaid Cymru
NIFHA (N. Ireland)	Pluss
North East Employment Framework	Poverty Alliance
North Lanarkshire Council	Princess Royal Trust for Carers
North Tyneside Voluntary Organisations Development Agency	Pro Diverse UK Ltd
North Yorks Forensic Psychiatric Service	Progress Recruitment
Northern Ireland Human Rights Commission	Prowess
Northern Ireland Union of Supported Employment (NIUSE)	Public and Commercial Services Union (PCS)
Northwest Regional Development Agency	Quaker Action on Alcohol and Drugs
Nottingham City Council Regeneration	Quarriers
Nottinghamshire County Council	RADAR
Nottinghamshire Welfare Rights Service	Reed in Partnership
Off the streets and into work	Refuge
OLMEC	Refugee Council
One Parent Families	Refugee Womens Association
One Parent Families Scotland	Release
Oxfam	Remploy
Paper Foyer	Renfrewshire Council
Papworth Trust	Resolve Double Impact
Parkinson's Disease Society	Rethink
Parkview Laundry	Riverside Group
People First	RMT
People First Scotland	RNIB
Peterborough Primary Care Trust	RNID
Phoenix Futures	Roman Catholic Internet Trust
	Royal British Legion Industries

Royal College of Nursing	Shelter
Royal College of Psychiatrists	Single Parent Action Network (SPAN)
RSI Action	Skill (National Bureau for Students with Disabilities)
S&D Training	Social Enterprise Coalition
Safer Bristol Partnership	Social Firms Scotland
Sainsbury Centre for Mental Health	Social Firms UK
Salford Welfare Rights	Social Security Advisory Committee
SAMH – Scottish Association for Mental Health	Solstice Nurseries
Save the Children	South and Vale Carers Centre
School of Law, University of Ulster	South Cambs Council
Scope	South Essex Partnership NHS Foundation Trust
Scottish Accessible Information Forum	South Tyneside Council
Scottish Association of Alcohol and Drug Action Teams	Southern Health and Social Care Trust
Scottish Campaign on Welfare Reform	SOVA
Scottish Council for Single Homeless (SCSH)	Spinal Injuries Association
Scottish Council for Voluntary Organisations	St Loye's Foundation
Scottish Council on Deafness	St Mungo's
Scottish Disability Equality Forum (SDEF)	Stockport Advice
Scottish Drugs Forum	Stow College, Glasgow
Scottish Funding Council	Substance Misuse Management in General Practice
Scottish Government	Sunderland City Council
Scottish Homelessness and Employability Network (SHEN)	Tameside Metropolitan Borough Council
Scottish Union of Supported Employment	Terence Higgins Trust
Shaw Trust	The Action Group (for people with learning disabilities)

The Age and Employment Network (TAEN)	Wakefield Skills Enterprise and Work Partnership
Tomorrow's People	
Trade Union Disability Alliance	Wales Council for Voluntary Action
Trafford Borough Council	Welfare Rights Advisers Cymru
Travel Matters Enterprises Ltd	Welsh Assembly Government
Triage Central Ltd	Welsh Association of ME & CFS Support
TUC	West London Working
Turning Point	West Sussex Drug and Alcohol Team
Tyne and Wear City Region CSP	West Yorkshire Police
Ufl Learndirect	Westminster Drug Project
UFO (Users Feedback Organisation) Bristol	Wigan Council
UK Carers	Wiltshire and Swindon Users Network (WSUN)
UK Drugs Policy Commission	Wirral Council
UK Hepatitis C Resource Centre	Wirral Economics Development and Skills
Unison	Wise Group
United Response	Women Like us
University of York	Women's Benefits Focus Group
Vital Regeneration	Women's Budget Group
Voluntary Action Barnsley	Work and Pensions Select Committee (WSPC)
Volunteer Centre Westminster	Work Directions
Volunteer Development Scotland	Working Families
Volunteering England	Working Links
VONNE (Voluntary Organisations Network North East)	Your Voice Advocacy Project
VOX	Zaccheus 2000
Wakefield Learning Disability Partnership Board	

## Appendix B – Government response to the Gregg Review

Recommendation		DWP Response
<b>High level recommendations</b>		
1.	The Government should set out a vision for a personalised conditionality and support regime to assist longer-term planning for Jobcentre Plus and providers and to set a clear framework for future discussions with stakeholders.	The recommendation is welcomed. This will enable us to build on the strengths of the current system and assist the Department to develop a challenging, appropriate and effective conditionality regime that will be tailored to the individual's needs and help motivate people.
2.	<p>The vision for a personalised conditionality and support regime should be that nearly everyone who is claiming benefit and not in work should:</p> <ul style="list-style-type: none"> <li>• have a clear understanding, underpinned through legislation, that they need to be engaging in activity that will help them to move towards, and then into, employment;</li> <li>• have an adviser with whom they will be able to discuss their expectations and aspirations, and be able to agree and jointly own their own route back to work;</li> <li>• be obliged to act on the steps that they agree will help them;</li> <li>• have a clear understanding of the expectations placed upon them (and why) and what the consequences are for failing to meet these; and</li> <li>• be able to access a wide range of personal support on the basis of need not the benefit that they happen to be on.</li> </ul>	The Department agrees with each of the key components of this vision and this White Paper sets out a number of ways in which we plan to take the vision forward.
3.	The Government should clearly rule out the option of placing all working-age claimants on the Jobseeker's Allowance job seeking regime as a way of achieving that vision.	The Department agrees that moving everyone into the job seeking regime in Jobseeker's Allowance is not appropriate. The very large majority of those either outside the scope of the current job seeking regime in Jobseeker's Allowance or not already scheduled to move into it (such as lone parents with a youngest child of 7 or over) will not be ready to look for work immediately.



Recommendation		DWP Response
<b>High level recommendations (continued)</b>		
4.	<p>The Government should build up a single personalised conditionality regime with clear recognition in law, policy and practice that there will be two main groups within that regime:</p> <ul style="list-style-type: none"> <li>• a Work-Ready group; and</li> <li>• a Progression to Work group.</li> </ul>	The Department agrees that we should start to develop, in legislation, policy and practice these groups. We will look to put the building blocks in place through the Department's forthcoming Welfare Reform Bill.
5.	The Government should also identify a group where there would be no conditionality requirements whatsoever (a No Conditionality group).	The Department agrees that there is a group of people who should not be required to meet any work conditionality requirements whatsoever because it would not be reasonable for them to undertake any mandatory activity or they are already undertaking activity which means taking steps back to work would be inappropriate. This group would not be written off.
6.	Allocation into either the Work-Ready group or the Progression to Work group should be initially defined by general characteristics.	The Department agrees that this will enable us to start to take forward the Review's recommendation in the short term.
<b>Recommendations on the Work-Ready group</b>		
7.	The Government should identify a group of people who can be expected to make a prompt return to work. This is the Work-Ready group. The current JSA job seeking requirements should largely apply to this group.	The Department agrees with the Review that the requirements that apply to the Work-Ready group should largely reflect the current job seeking requirements in Jobseeker's Allowance given the success of the regime in getting people back to work.
8.	The Work-Ready group should include current people required to claim Jobseeker's Allowance as well as those lone parents and partners with older children currently in the process of moving into the Jobseeker's Allowance job seeking regime.	The Department agrees that the Work-Ready group is suitable for these claimants, particularly given there are some flexibilities within the current job seeking regime in Jobseeker's Allowance.
9.	Nearly all of the key features of the current JSA regime (as proposed through the Flexible New Deal and Work For Your Benefit proposals) should continue to underpin the conditionality and support requirements for the Work-Ready group.	We agree with the recommendation that the key features of the current Jobseeker's Allowance regime should continue to underpin conditionality and support for the Work-Ready group.

Recommendation	DWP Response
<b>Recommendations on the Work-Ready group (continued)</b>	
<p>10. The most effective way of personalising the regime for certain people within the Work-Ready group is to automatically move those people into Stage 3 of the Jobseeker's Allowance job seeking regime, without them having to wait six months.</p>	<p>The Department agrees to the principle that certain groups of job seekers can benefit from the additional support that is available in Stage 3 of the Jobseeker's Allowance regime. We already enable fast-tracking on a voluntary basis for these groups and will explore, based on the evidence of the regime as it rolls out, the scope for fast-tracking more disadvantaged customers as resources allow, and whether referral to stage 3 of the regime is most appropriate.</p>
<p>11. The Government should provide more effective support to people on Jobseeker's Allowance with a health condition or disability through:</p> <ul style="list-style-type: none"> <li>• automatically moving those claiming JSA who have failed to meet the WCA threshold in Stage 3 of the job seeking regime;</li> <li>• improving information sharing between the ESA and the JSA regime;</li> <li>• making more support available to help those with notable conditions to manage their health more effectively; and</li> <li>• re-considering the broad easements and other rules that currently apply to this group within the JSA job seeking regime.</li> </ul>	<p>The Department recognises the importance of offering early personalised help to those who need it most. It already enables voluntary fast-tracking for ex-Employment and Support Allowance and IB claimants. We will continue to gather evidence and assess the effectiveness of our policies and keep under review those who could benefit from early, more intensive support.</p> <p>We want to offer customers the most appropriate tailored back to work support. Customers claiming Employment and Support Allowance receive a Work Focused Health Related Assessment. Where a customer moves from claiming Employment and Support Allowance to Jobseeker's Allowance we will explore making the report of their Work Focused Health Related Assessment available to their personal adviser. This will help us ensure continuity in supporting customers to tackle health-related barriers to work.</p>

Recommendation		DWP Response
<b>Recommendations on the Work-Ready group (continued)</b>		
11.	Continued	<p>The principle of personalised employment support that tackles multiple barriers to employment is one that is already at the heart of our strategy for mainstream employment support. Both the Pathways to Work and Flexible New Deal programmes give contracted providers the freedom to deliver support based on the needs of individuals not on a one-size-fits-all programme. Building on this support, we will investigate how to ensure Jobseeker's Allowance customers with health-related barriers to work can better address these barriers during their Jobseeker's Allowance claim.</p> <p>We will look to ensure the Jobseeker's Allowance regime is effective for customers with health conditions and disabilities. It is important that all job seekers, as far as they are capable, engage fully with the normal job seeking regime. It is important that easements are applied appropriately to customers with health conditions and disabilities in a way that accommodates their limitations but also places an effective level of conditionality on them to give them the best prospects of moving into work.</p>
<b>Recommendations on the Progression to Work group</b>		
12.	The Government should identify those people where an immediate return to work is not appropriate, but is a genuine possibility with sufficient time, encouragement and support. These should make up the Progression to Work group.	The Department accepts that unlike the 'Work-Ready' group, there is a group that requires a different, more personalised conditionality regime and immediate access to support.
13.	The Progression to Work group should include all ESA claimants (other than those in the ESA support group) and also lone parents and partners with a youngest child aged between one and seven.	The Department broadly agrees that these are groups of people where a return to work is a reasonable and positive possibility with sufficient time, encouragement and support.

Recommendation	DWP Response
<b>Recommendations on the Progression to Work group (continued)</b>	
<p>14. The Government should create through law, policy and practice a set of requirements for claimants in the Progression to Work group to:</p> <ul style="list-style-type: none"> <li>• attend Work Focused Interviews with their adviser at appropriate points;</li> <li>• design and agree an action plan with the adviser that sets out the work-related steps they agree to take to help them back to work;</li> <li>• undertake work-related activity to support their own route back towards work, with progress monitored through Work Focused Interviews; and</li> <li>• follow short, focused, adviser directions as a last resort.</li> </ul>	<p>The Department accepts that we should start to develop, in legislation, policy and practice requirements for this 'Progression to Work' group. We will look to do so through the Department's forthcoming Welfare Reform Bill.</p> <p>We will pilot the Gregg vision for new Employment and Support Allowance customers in eight pathfinder areas and look to test these principles with existing customers through the AME-DEL pilots.</p>
<p>15. The Government should expect claimants in the Progression to Work group to continue to meet these conditionality requirements for the entire duration of their claim to benefit.</p>	<p>We will need to introduce the new regime gradually and extend the Work Focused Interview regime beyond current time periods as resources allow.</p>
<p>16. On the requirement to attend WFIs the Government should ensure that sufficient flexibility is given to advisers and claimants to agree an appropriate pattern of attendance that reflects their circumstances.</p>	<p>The Department believes that sufficient flexibility needs to be given to advisers and clients to vary the standard pattern of Work Focused Interviews where this is necessary to facilitate effective engagement, for example, because of the need to follow up more speedily on a client's work-related activity or because of changes to health conditions.</p>
<p>17. On the requirement to undertake work-related activity the Government should expect claimants to participate in some work-related activity between each Work Focused Interviews and for the duration of their claim to benefit.</p>	<p>The Department believes that individuals would benefit from undertaking some work-related activity between Work Focused Interviews for as long as this regime remains in place. To test this with the Progression to Work Group, we are planning to develop work related activity within the Employment and Support Allowance and undertake pilots for other groups, such as lone parents and partners with younger children.</p>

Recommendation		DWP Response
Recommendations on the Progression to Work group (continued)		
18.	On the requirement to undertake work-related activity the Government should define work-related activity in a very broad way.	We accept that activity which people agree with their adviser can be anything that both parties agree would support an eventual return to work. We agree that clients' paths back to work are highly disparate and frequently involve addressing issues that have very little to directly do with job seeking. The Progression to Work group requirements should reflect this understanding within a tailored and supportive regime.
19.	On the requirement to undertake work-related activity the Government should ensure access to provision and programme support to help the Progression to Work group from around the outset of the claim.	We accept that the Progression to Work group will need full access to support from an early point of the claim.
20.	The Government should not automatically expect claimants in the Progression to Work group to immediately commence work-related activity, but should allow a short period of planning and adjustment whenever that is necessary.	We accept that the Progression to Work group requirements should reflect this understanding.
21.	On the requirement to design and agree an Action Plan the Government should transform the role of the Action Plan for those in the Progression to Work group and give it a more central, enforceable status to underpin discussions between claimants and advisers.	We agree that for the Progression to Work group requirements to be effective, we need to transform the role of the Action Plan.
22.	On the requirement to design and agree an Action Plan the Government should legislate so that where a claimant does not undertake the activity agreed through the Action Plan this should be potentially subject to sanctions subject to safeguards.	We believe that where a claimant does not undertake at least one activity agreed at each Work Focused Interview through the Action Plan, this should be potentially subject to sanctions. Like the Jobseeker's Agreement, it will be important to make sure that people are aware that they must follow the activity they have agreed to undertake in their action plan. Good cause for not undertaking an activity in the action plan would need to include the client undertaking an alternative activity that could reasonably be expected to deliver an equivalent outcome.

Recommendation	DWP Response
Recommendations on the Progression to Work group (continued)	
<p>23. On the requirement to allow adviser direction the Government should allow advisers to direct claimants to undertake a specific piece of work-related activity in some limited circumstances:</p> <ul style="list-style-type: none"> <li>• Where a claimant has a proven significant barrier to work which they have been encouraged to address but have failed to do so;</li> <li>• Where a claimant has been sanctioned for failing to undertake any activity or fails to agree to undertake any as part of the action planning process; and</li> <li>• Where a claimant's return to work activities are proving ineffective and they are unwilling to consider other options.</li> </ul>	<p>The 'Progression to Work' path is fundamentally built around a system of encouragement, agreement and shared ownership. However we agree that direction may be required in these circumstances.</p>
<p>24. The Government should ensure that before any direction is imposed the following safeguards should be applied:</p> <ul style="list-style-type: none"> <li>• the adviser would always need to encourage and support people into activity first before direction became an option;</li> <li>• when any activity was directed then it would be important for the client to have the right for that decision to be reconsidered; and</li> <li>• the aim would be to end the need for direction at the earliest possible opportunity.</li> </ul>	<p>We agree that these safeguards are appropriate. We accept the Review's recommendation.</p>
<p>25. The Government should enable advisers to direct a claimant into any activity that fits within the definition of work-related activity, other than those:</p> <ul style="list-style-type: none"> <li>• that would clearly fall foul of human rights legislation or violate medical codes of practice; and</li> <li>• that would require claimants to apply for specific jobs, attend job interviews or take any particular form of employment.</li> </ul>	<p>We agree that direction should not be used inappropriately. In particular direction should never be used to force clients under this path to apply for specific jobs, attend job interviews or take any particular form of employment. Parents would not be forced to use formal childcare if they did not want to.</p>

Recommendation	DWP Response
Recommendations on the Progression to Work group (continued)	
<p>26. The Government should enhance the current proposals for Employment and Support Allowance claimants (including those set out in the Green Paper, <i>No one written off: reforming welfare to reward responsibility</i>) by:</p> <ul style="list-style-type: none"> <li>• making movement into job search and work a clearer underpinning goal;</li> <li>• making the Action Plan more central to the return to work process;</li> <li>• giving advisers the power to direct claimants into a wide range of activity (short of requiring them to apply for specific jobs, attend job interviews or take any particular form of employment); and</li> <li>• keeping engagement ongoing for as long as the claimant remains on benefit.</li> </ul>	<p>We accept the Review's recommendation to introduce further reforms to the Employment and Support Allowance. And we believe that now is the right time to put these changes into practice. From late 2010, in pathfinder areas, we will ask people who make a new claim for the Employment and Support Allowance to undertake work-related activity appropriate to their situation, so that they can move towards a return to work. The Action Plan will be central to this process. These work-related activity pilots will act as a test of the Progression to Work group conditionality as laid out in the Gregg review and will mean we will deliver, after the first six Work Focused Interviews, a further interview to customers every three months, until the point where they have been on benefit for two years.</p>
<p>27. The Government should enhance the current proposals for lone parents with younger children by:</p> <ul style="list-style-type: none"> <li>• building in a more frequent but flexible pattern of WFI's and a mandatory requirement to undertake work-related activity;</li> <li>• making the Action Plan more central to the return to work process; and</li> <li>• giving advisers the power to direct claimants in the same way as per ESA claimants.</li> </ul>	<p>We describe above how we will test the Progression to Work group requirements for the Employment and Support Allowance group. We accept that the needs of lone parents can be different to this group, so we also intend to test separately how the Progression to Work group requirements can be delivered to a group of lone parents with younger children.</p> <p>We accept the Review's recommendation that the Progression to Work group should include lone parents and partners with younger children and we intend to test separately how the Progression to Work group requirements can be delivered, initially to lone parents with children aged one to three, extending to partners at a later date.</p>



Recommendation		DWP Response
<b>Recommendations on the Progression to Work group (continued)</b>		
28.	The Government should further develop the WFHRA as a crucial tool in linking together health and work advice.	The Work-Focused Health Related Assessment provides an opportunity for individuals to discuss their situation with a healthcare professional. We will look at ways of expanding this interaction through a revised assessment; by focusing on why people have had difficulties adapting or moving towards work, a more detailed plan can be drawn up that will be able to bring together health and work advice.
29.	When the Work Capability Assessment is reviewed again, the requirements that will apply under the Progression to Work group should be considered as a context for identifying who should be in the Employment and Support Allowance Support Group.	We will continue to evaluate the effectiveness of the Work Capability Assessment.
<b>Recommendations to the No Conditionality Group</b>		
30.	The No Conditionality group should include carers and therefore the current WFI conditionality requirements that currently apply to some of this group should be lifted.	We fully accept this recommendation.
31.	The Government should consider how, in the longer-term, it can give those with significant caring responsibilities a recognisable status to protect them from the usual requirement to be heading towards paid employment.	We will consider the treatment of carers in light of the Department of Health review and our approach to a single working age benefit.
32.	The No Conditionality group should include the ESA support group.	We accept this recommendation.
33.	The Government should consider how, in the longer-term, it can give parents with very young children a separate status in the benefit, system to make even clearer that this group are not required to be heading towards paid employment.	We accept this recommendation.

Recommendation		DWP Response
<b>Recommendations to the No Conditionality Group (continued)</b>		
34.	The No Conditionality group should include lone parents and partners with children under one and therefore the current Work-Focused Interview conditionality requirements that apply to lone parents and partners with children under one should be removed.	We accept this recommendation in principle and intend to include this change in the Gregg pilots to evaluate its effectiveness. We agree that it would not be reasonable for this group to undertake any further mandatory activity.
<b>Recommendations on Advisor Flexibility</b>		
35.	The Government should explore a model where Jobcentre Plus has additional resource to cover the period when JSA claimants have been on benefit for between 6 and 12 months to try and prompt additional returns to work, in return for being financially held to account for any spend.	We accept this recommendation.
<b>Recommendations on the support available</b>		
36.	The Government should continue to explore the potential for multi client group contracts to deliver support based on client need rather than the benefit claimed, while using the accelerator funding model to encourage a focus on all clients.	We accept this recommendation. We will introduce two multi-client based pilots from 2011, which will test elements of the conditionality framework alongside Professor Gregg's core recommendation around delivering personalised support based on need rather than on benefit claimed. We will ensure that the pilots focus on the needs of all clients and intend to explore the feasibility of the innovative accelerator funding model recommended in Professor Gregg's Review.

Recommendation	DWP Response
Recommendations on the support available (continued)	
<p>37. The Government should continue to explore the use of Intermediate Labour Markets and therefore:</p> <ul style="list-style-type: none"> <li>• providers should be encouraged to provide ILM activities as an option to support individuals who have been out of the labour market for a long time. This could be appropriate for both Work-Ready and Progression to Work groups;</li> <li>• ongoing support and jobsearch assistance should be built into the full-time activity Work For Your Benefit pilots proposed for individuals who have not found employment at the end of the Flexible New Deal. This will clearly distinguish these pilots from a pure workfare style approach. Where appropriate, individuals should also have access to these activities before the two year point; and</li> <li>• across local and central Government efforts should be made to build the social enterprise ILM sector (a natural area being to support green projects).</li> </ul>	<p>We agree to continue to consider how to deliver work experience programs, particularly to those further from the labour market.</p> <p>In line with the Gregg Review recommendations, we intend that the full-time Work for Your Benefit activity undertaken by participants will provide substantial back-to-work support. Rebuilding basic work skills and habits will help job seekers with the greatest disadvantage, such as people from ethnic minorities, get back to work. We intend to start piloting this proposal in 2010, in line with the first people completing 12 months on Flexible New Deal.</p>
<p>38. The Government should continue to test and evaluate the range of initiatives which are currently in place that aim to actively engage employers:</p> <ul style="list-style-type: none"> <li>• Work Trials;</li> <li>• Job Introduction Scheme;</li> <li>• Local Employment Partnerships; and</li> <li>• Access to Work.</li> </ul>	<p>We accept the recommendation and welcome the employer focus.</p>
<p>39. The Government should continue to test and evaluate the ideas tried in the ERA pilots, with a focus on retention and earnings progression as well as skills, and roll out the approach nationally once the right cost-effective mix has been found.</p>	<p>The Government will be considering these issues further as part of the Social Mobility White Paper.</p>

Recommendation		DWP Response
<b>Recommendations on the support available (continued)</b>		
40.	The Government should consider bringing Activity Allowances and the EMA together to create a Single Youth Allowance for 16 and 17 year olds focused specifically on training and education.	The Government will be considering these issues further as part of the Social Mobility White Paper.
41.	The Government should introduce skills health checks and appropriate skills training for new claimants to JSA aged 18-25. These should be available after three months.	The Government will be considering these issues further as part of the Social Mobility White Paper.
42.	The Government should work with the London Apprenticeship Programme to evaluate the operation and outcomes, and consider whether such a model could be developed nationally.	The Government will be considering these issues further as part of the Social Mobility White Paper.
<b>Recommendations on Sanctions</b>		
43.	The Government should align the failure to attend process in JSA with that of lone parents and Pathways to Work and give Jobcentre Plus personal advisers discretion, where they are suitably trained and experienced to do so, to make a decision on whether the reason given for non-attendance is good cause.	We support the intention to speed up decision-making processes, and for the adviser to have a role in considering evidence about good cause. However, it is important that the constructive relationship between the adviser and the client is not undermined through the adviser having to make sanction decisions.
44.	The Government should, in addition to having advisers, give them local support to improve the administration and quality of referrals, disseminate good practice and provide advice.	We support this recommendation in principle and will work with Jobcentre Plus to consider how it could be taken forward.
45.	The Government should give specialist provider advisers the same access as Jobcentre Plus advisers have to local support. This builds on Pathways to Work and the Flexible New Deal, to support referrals to Jobcentre Plus decision makers.	We support this recommendation in principle and will work with Jobcentre Plus and providers to consider how it could be taken forward.
46.	The Government should have clear messaging on sanctions at the beginning of a claim and should introduce an early warning system that sends a clear message about the consequences of any further non-compliance through a written warning.	We agree that it is important for the Government to provide clear messaging on sanctions. We will look into the benefits of a written-warning system as part of the review of sanctions.

Recommendation		DWP Response
Recommendations on Sanctions (continued)		
47.	The Government should introduce a principle of prior notification, for example, through Work-Focused Interviews and other mandatory meetings.	We support the principle that claimants should, if possible, notify in advance if they are not able to attend an appointment. We will consider, through the review of sanctions, how this could work in practice. In particular, it will be important to ensure that bureaucracy is not increased and that vulnerable or ill people are not inappropriately sanctioned.
48.	The Government should introduce a tighter, crisper, and consistent set of acceptable reasons for non-attendance.	Decision Makers Guidance sets out acceptable reasons for non-attendance. We will review guidance to ensure that it is consistent with the reasons suggested by Professor Gregg.
49.	The Government should introduce a clear and simple sanction escalation process for all failures to attend an interview or appointment without good cause. This should include non-financial sanctions for repeat offenders, such as mandatory community-based work.	We support the principle of sanction escalation for those who repeatedly fail to attend appointments or undertake required activity.  We will explore the use of full-time activity requirements for those who repeatedly fail to comply with their obligations. More generally, we will consider these proposals as part of the review of sanctions recommended by Professor Gregg.
50.	The Government should consider a root and branch review of sanctions that should consider these recommendations and consider: <ul style="list-style-type: none"> <li>• The fit between benefit sanctions and the rest of the benefits system;</li> <li>• The fit between the sanctions and hardship regime; and</li> <li>• The impact of a sanction on benefit deductions.</li> </ul>	We agree with Professor Gregg that the sanctions regime largely works well. However, to ensure that the regime fully supports the future vision for conditionality, we will undertake a practical review of the sanctions system to (i) work through the details of how the above recommendations should work in practice and (ii) consider the longer-term issues identified by Professor Gregg.

Recommendation		DWP Response
<b>Recommendations on a Single Working Age Benefit</b>		
51.	The Government should take forward the work on the single benefit as the personalised conditionality regime could be more effectively delivered if a single benefit were in place.	We see the ability to personalise conditionality more effectively as one of the major advantages of moving to a single system of benefits. We will continue to consider options for reform of the benefits system.
52.	The Government should assess whether it is possible to develop a more accurate and individualised screening tool for use when a single benefit is in place.	We are interested in the idea of screening as a way of better identifying individual support needs. We will look further at this idea as we develop our thinking.
53.	The Government should use the development of a single benefit to consider whether 'extra costs' payments for carers would sit better outside of the benefit system.	How carers fit within a single benefit and ensuring that their responsibilities and contribution are recognised will be key considerations as we consider the future design of the benefits system.
54.	The Government should move towards a more integrated system of support for carers, which takes account of the level and nature of support that each carer needs.	We agree that we must look carefully at the challenges the benefits system presents to carers, but it would not be right to undertake any review of carers' benefits in isolation. Many of the difficulties that carers experience arise from the interactions between different benefits and interactions with different aspects of the wider welfare system.
<b>Recommendations on taking the vision forward</b>		
55.	The Government should look at their current planned activity and, where appropriate, consider adapting this in ways which enable testing of the key aspects of the vision.	We intend to move quickly to begin to reshape our work-related support using the recommendations of the Review. This includes looking at pilots that we are planning to deliver to see how these can be used to test aspects of Professor Gregg's vision.
56.	The innovative work between the DWP and HMT on the 'AME-DEL' financing mechanism should continue, and, if successful, should form the basis of a longer-term funding settlement to deliver this vision.	We agree with the recommendation and will work towards delivering a test of this concept in 2011, to understand how the AME/DEL funding mechanism might fund more successful labour market interventions.









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Department for Work and Pensions

10 December 2008

**[www.dwp.gov.uk](http://www.dwp.gov.uk)**

ISBN 978-0-10-175062-2

