

Department for Work and Pensions

Ready for work: full employment in our generation

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**CORRECTIONS**

**Page 134 Column 1, insert new, additional line after 2nd line**

Text should read:

A4e

**Page 136 Column 1, insert new, additional line after 16th line**

Text should read:

National Youth Agency

**Page 137 Column 2, insert new, additional line after 23rd line**

Text should read:

Young Scot

**Back cover second column, line 15**

Text should read:

Telephone: 020 7962 8383

**Back cover second column, line 19**

Text should read:

020 7962 8380

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December 2007

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full employment in our generation



Department for Work and Pensions

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Command of Her Majesty  
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## Ministerial foreword



The Government is committed to building an inclusive, cohesive and prosperous society with fairness and social justice at its core.

A society in which child poverty has been eradicated, in which everyone who can work is expected to contribute to national prosperity and share in it, and in which those who can't work are supported.

A society in which as many people as possible can share in the rewards of work that go far beyond financial independence, important as that is, because work is inherently good for people of all ages: good for their health, good for their families and good for the community.

This document sets out how the next phase of welfare reform will make this vision a reality by moving to a new system of active support rather than passive benefits.

It will build on the longest and most sustained period of economic growth for over 200 years, with record levels of employment and low inflation.

Today Britain is recognised by the international community as a leader in promoting employment and tackling disadvantage in the labour market. The numbers on key out of work benefits are down by one million since 1997 and, for the first time in a generation, the numbers on incapacity benefits have been falling since the 2003 peak, having tripled between 1979 and 1997.

There are over 29 million people in employment: more than ever before in our history.

Financial support for children and families remains an important part of our overall strategy for tackling child poverty. So far our policies have taken 600,000 children out of relative poverty, and up to 300,000 more will follow as a consequence of new policies announced earlier in the year.

The goal of 'full employment' for William Beveridge and successive Governments was measured by a claimant unemployment rate of less than three per cent. We have been very successful but we need to go further because there are still too many people living on benefits who could work if they were given the right support.

Now we need to extend employment opportunities to all those who can fill the 680,000 vacancies in the labour market today.

We want to see an employment rate of 80 per cent, up from the current figure of over 74 per cent. This puts full employment at the heart of our anti-poverty strategy and will enable Britain to take the opportunities that a dynamic global economy opens up.

This requires a new and radical approach to remove the barriers to employment that disadvantaged groups currently face and to give them access to opportunities they have never had before.

The core of our radical new approach will be to move people from being passive recipients of benefits to active jobseekers looking and preparing for work with access to training and job-focused activity.

And so, lone parents who can work will be required to actively seek work once their youngest child is 12 or over from October 2008, 10 or over from 2009 and 7 or over from October 2010, with pre-work preparation and in work support built into a flexible system.

Incapacity Benefit for new claimants will go, replaced by Employment and Support Allowance with the emphasis on what a person with a physical or mental health condition can do, rather than what they can't.

The New Deal will be modernised so that it better meets the employment and skills needs of those who have been on benefit for a long time or who have struggled to find a stable pattern of work.

Jobcentre Plus will remain at the heart of the system, working in partnership with public, private and third sector specialist providers which will have an enhanced role.

The aim is to get British benefit claimants into British jobs to become British workers.

Central to this challenging policy agenda is the contract between the Government and the people. We are clear about our side of it: we will develop a radical new strategy to extend, modernise and personalise the support we offer to people who often face multiple challenges to finding and keeping a job. We will ensure they have the right level of support to get a job and have the skills needed to progress into a career.

We will make work pay through the National Minimum Wage, in work benefits, tax credits and other personalised support. In return, those who can work will be obliged to actively look for work and if they do not then they will be penalised.

Throughout this process we have drawn on the expertise of specialists in the field and the invaluable contribution of the Harker, Leitch and Freud reports.

We have also looked at where we can draw on the experience of others. We have found good international practice and will be using that where appropriate. We have also found schemes we do not see as the way ahead for Britain.

'Wisconsin Works' has been cited by some as a ready-made model of welfare reform that could be imposed here.

This tough approach on its own does not work, and we will not be adopting it wholesale.

We do not see such an approach, which disguised the true level of economic inactivity and increased child poverty, as an effective long-term solution to support people into work and to advance social justice.

In contrast, our radical new approach is a welfare system in which, increasingly, claimants are not passive recipients of benefits, but instead active jobseekers preparing for a return to work, in which they will be better off.

Our welfare commitment remains: tackling poverty through full employment.

A handwritten signature in black ink, appearing to read 'Peter Hain'.

**Peter Hain**

Secretary of State for Work and Pensions





## Executive summary



## Executive summary

The Green Paper *In work, better off: next steps to full employment*<sup>1</sup>, and *World Class Skills: Implementing the Leitch Review of Skills in England*<sup>2</sup>, both published in July 2007, set out how we proposed to move towards our 80 per cent employment rate and world class skills aspirations.

Progress on our agenda for integrating employment and skills is key to sustainable employment. The recently published *Opportunity, Employment and Progression: making skills work*<sup>3</sup>, a joint Department for Work and Pensions and Department for Innovation, Universities and Skills document, set out how we would ensure that people have the right skills to be in work, both now and in the future.

We asked people to let us know what they thought of our Green Paper proposals. These proposals built on the independent reports by Lisa Harker<sup>4</sup>, Lord Leitch<sup>5</sup> and David Freud<sup>6</sup>, all of which addressed different parts of our employment challenge.

We received many considered responses to the proposals in the Green Paper and would like to thank those who got in contact to let us know their views. Ministers attended around 40 consultation events around the country with a range of stakeholders, including customers, employers, MPs, lone parents and third sector organisations. Ministers also held discussions with staff from Jobcentre Plus offices and contact centres across the country, and staff were invited to submit comments via the Department's Intranet.

To get the views of as many parents as possible, the Department decided, for the first time, to consult via web discussion forums. We focused on two websites, ParentsCentre<sup>7</sup> and Netmums<sup>8</sup>, receiving over 2,000 posts. Ministers also took part in online events including Ministerial web chats and discussion forums.

We have now carefully considered all of the responses, a summary of which is at **Annex A**.

<sup>1</sup> <http://www.dwp.gov.uk/welfarereform/in-work-better-off/in-work-better-off.pdf>

<sup>2</sup> <http://www.dius.gov.uk/publications/publications-leitchreview.htm>

<sup>3</sup> <http://www.dwp.gov.uk/welfarereform/making-skills-work.pdf>

<sup>4</sup> <http://www.dwp.gov.uk/publications/dwp/2006/harker/>

<sup>5</sup> <http://www.dfes.gov.uk/furthereducation/index.cfm?fuseaction=content.view&CategoryID=21&ContentID=37>

<sup>6</sup> [http://www.dwp.gov.uk/welfarereform/freud\\_report.asp](http://www.dwp.gov.uk/welfarereform/freud_report.asp)

<sup>7</sup> ParentsCentre ([www.parentscentre.org.uk](http://www.parentscentre.org.uk)) is run by the Department for Children, Schools and Families, providing advice and support for parents.

<sup>8</sup> Netmums.com is a family of local websites set up and run by mothers to provide local information on issues such as places to go, things to do, education, childcare, and community, social and employment issues.

This document sets out how we intend to move towards full employment, taking account of those responses, our experience of what has worked in the UK and elsewhere, and the changing world we live in. We will continue to work with our stakeholders in developing the details of our proposals.

Where changes to secondary legislation are needed to implement the proposals, we will prepare draft regulations to put to the Social Security Advisory Committee.

We also have a number of milestones to deliver our employment vision. **Annex B** sets out these steps and by when they will be delivered.

## Principles of reform

This paper sets out our strategy to move people from being spectators on the margins – as recipients of passive benefits – to becoming participants, actively seeking and preparing for work. Our strategy will be based on five core principles. These build on the reform principles set out in the Green Paper:

- **A stronger framework of rights and responsibilities to move benefit claimants from being passive recipients to being active jobseekers**, so that people who can work, now or in the future, have the support they need to find a job and gain relevant skills.
- **A personalised and responsive approach**. We will reform the support available so that it better responds to individual need. We will **empower advisers and give increased discretion both to Jobcentre Plus staff** and to public, private and third sector providers. And through Local Employment Partnerships we will increasingly tailor employment and skills support to better meet the needs of employers and individuals.
- **Partnership – the public, private and third sectors working together**. Guided by David Freud's report, our future commissioning strategy will maximise the innovation in all sectors, leading to more and better outcomes. Our priority will be to contract on the basis of **what works best** to support people into work. We are currently seeking views on the emerging findings for our commissioning strategy.<sup>9</sup> We will also develop a shared commitment to the local needs of individuals and employers through Local Strategic Partnerships.

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<sup>9</sup> <http://www.dwp.gov.uk/supplyingdwp/news/>

- **Targeting areas of high worklessness by devolving and empowering communities.** In the future, sustainable employment will be at the heart of neighbourhood renewal – finding local solutions to local challenges. We published details of the joint Working Neighbourhoods Fund for England on 30 November 2007<sup>10</sup>. This more targeted approach to neighbourhood renewal will put employment at the heart of area-based regeneration and will provide £1.5 billion to our most deprived areas over the next three years. Deprived Areas Funding in Scotland and Wales will continue to be made available and we are in discussions with the Devolved Administrations on an approach that would complement their local structures.
- **Not just jobs, but jobs that pay and offer opportunities for progression.** With an emphasis on sustaining and progressing in work we will ensure all our customers who need help to develop their skills have access to relevant pre-employment and in work training. As the UK economy adapts to increasing global competition individuals will need to adapt and learn new skills in order to share in the rising prosperity of the country. Measures for integrating employment and skills were set out in *Opportunity, Employment and Progression: making skills work*. We will also continue to make work pay by piloting and then, if successful, rolling out a **new better off in work credit** to ensure all long-term claimants see a significant rise in their incomes when they take a job.

We have recently published papers setting out a way forward in many of these areas. This paper sets out how we intend to move forward with the first two reform principles: how we will create a **stronger framework of rights and responsibilities** and how we will support people to find work through a **personalised and responsive approach**. It also provides a comprehensive overview of all the key actions we are taking to boost sustainable employment.

## What we will do

We will take forward policies on the following:

### Making work pay

- A new better off in work credit to ensure that all long-term claimants see a significant rise in their incomes when they take a job.

<sup>10</sup> <http://www.communities.gov.uk/publications/communities/workingneighbourhoods>

## Rights and responsibilities of lone parents

- Lone parents with older children, who are claiming benefits and **who can work**, will have to actively seek work. We intend this will be introduced for lone parents with a youngest child of 12 or over from October 2008, a youngest child aged 10 or over from October 2009 and a youngest child aged 7 or over from October 2010.
- Pre-work preparation and in work support, including skills, built into a flexible system.
- Availability of affordable childcare to be a key part of the assessment by Jobcentre Plus staff.
- Increase the child maintenance disregard in the main income-related benefits to £40 per week from April 2010.

## Modernisation of the New Deals through flexible New Deal

- Jobcentre Plus to lead jobsearch for the first 12 months.
- Entrance into the new **Gateway** stage after six months, common to everyone and building on the current New Deal gateways, leading to more intense jobsearch activity and skills assessment, with the most disadvantaged people being fast-tracked to this stage from the outset.
- People still looking for work after 12 months to be referred to a specialist provider.

## Support for disabled people and people with health conditions

- Employment and Support Allowance to replace Incapacity Benefit for new and repeat claimants.
- From April 2008 everyone on incapacity benefits in Britain will have access to the Pathways to Work programme.
- A Work Capability Assessment to replace the Personal Capability Assessment, focusing on what people can do rather than what they can't.
- Pathways to Work and the Work Capability Assessment to be rolled out to existing claimants who are under 25.
- Improving support to help people to stay in work – particularly those with mental health conditions.
- Removing the Housing Benefit rule that prevents short-term Incapacity Benefit claimants from studying for more than 16 hours per week.

## Partnership approach to delivery

- Jobcentre Plus will remain at the heart of the system working alongside:
  - public, private and third sector specialist providers;
  - employers through Local Employment Partnerships and in other ways;
  - local communities through Local Strategic Partnerships, the City Strategy and the Working Neighbourhoods Fund; and
  - Connexions, and then local authorities, helping to get young people into work or training.

## Integrated employment and skills provision

- Basic skills screening for all new claimants and full Skills Health Checks for those who need it. Referrals to the Skills Health Check will be mandatory for those customers who have a basic skills need and have been claiming Jobseeker's Allowance for six months or more. Lone parents will be encouraged to attend a full Skills Health Check two years before they are due to lose eligibility for Income Support.
- Tailored provision for those with basic skills needs with a work focus, through the new Employability Skills Programme.
- New adult advancement and careers service.
- Extension of Train to Gain.
- Increasing access to training allowances for Jobseeker's Allowance customers which allows them to participate full time for up to eight weeks in employability focused training.
- Exploring ways we can support specific vulnerable groups undertaking full-time training, such as young people living in supported accommodation.
- Activity Agreements for 16-17 year olds in receipt of Jobseeker's Allowance, to help them to re-engage, and take up their statutory right to an appropriate place in education or training, or find a job with training.

**Annex B** sets out the steps we will take to implement these measures and the dates by which we will do so.

## Details of what we will do

### For lone parents

An international review by the Organisation for Economic Co-operation and Development (OECD) recommended that, with the right support in place, the UK should consider further extending work tests for lone parents<sup>11</sup>.

Despite the improvement in the lone parent employment rate, which has increased from 44.7 per cent in 1997 to 57.2 per cent in 2007,<sup>12</sup> it remains low in relation to other OECD countries, some of which have a lone parent employment rate of over 70 per cent. Fifty per cent of children in lone parent families are still living below the poverty line. Getting these parents into sustainable work, that takes them and their children out of poverty, is vital. A key problem is that too few lone parents are taking up the support available.

To address these challenges it is right that, once children are older, lone parents who can work should apply for Jobseeker's Allowance, be supported to look for work and, as a condition of benefit receipt, should be obliged to take up that support.

We therefore intend that the presumption will be that lone parents will have to be actively seeking work in order to claim benefits, once their youngest child is 12 and over from October 2008, 10 and over from October 2009, and 7 and over from October 2010. The middle step was not part of the proposals in the Green Paper. However, this stepped approach responds to consultation feedback because it will enable us to provide more support in helping lone parents make the transition between benefits.

Lone parents unable to work because of caring obligations (for example, for disabled children), health conditions or disability will continue to be able to claim Income Support or other appropriate benefit. Lone parents with younger children will also continue to be able to claim Income Support and have access to the New Deal for Lone Parents.

Our aim is to ensure that increased obligations will be supported by good quality, affordable childcare, flexible jobs and tailored pre-employment and skills provision. Advisers and lone parents claiming Jobseeker's Allowance will agree the extent of any childcare needs and how this will impact on the lone parent's ability to actively seek work. Support will include skills screening, access to a full Skills Health Check and suitable training opportunities in the period before they are due to lose eligibility for Income Support.

Current and new flexibilities, and tailored services, including doing more to make sure work pays, will help lone parents look for, take up and stay in work. This will include piloting different ways of paying In Work Credit, in a mix of weekly and lump sum payments, to encourage people to stay in work.

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<sup>11</sup> OECD, May 2005. *OECD Thematic report on Family Friendly Policies*.

<sup>12</sup> Second quarter of 2007.



The New Deal for Lone Parents will continue to be available to lone parents on Jobseeker's Allowance if they want to use these services until they move to a flexible New Deal provider when available. They will also be able to access the improved support provided through Jobcentre Plus.

### For all jobseekers

The New Deal will be **modernised to ensure that support is flexible and personalised**. Jobcentre Plus – which since its establishment in 2001 has built up a world class track record in getting people off welfare into work – will work in partnership with the public, private and third sectors to help people who face the largest challenges get back into work or self-employment and lift themselves and their families out of poverty. Lone parents receiving Jobseeker's Allowance are included in the flexible New Deal arrangements.

Each stage of a customer's journey towards work will be increasingly active. For example, a skills screen will take place soon after the start of a benefit claim to better identify basic literacy, language and skills needs. It will be accompanied by systematic signposting and voluntary referral to the new adult advancement and careers service. Then, as obligations increase, the customer will be required to sign weekly rather than fortnightly and may be submitted to a suitable job vacancy. We are introducing a single Gateway after six months, including a mandatory Skills Health Check if the adviser identifies this as necessary, and a personal action plan to improve employability and to find work or self-employment. Jobcentre Plus will work within Local Strategic Partnerships to ensure that there is a wide range of options for employability-focused activity such as training through the Learning and Skills Council. People who face the most challenges to moving into, or staying in, work will go to the Gateway from day one.

After 12 months with Jobcentre Plus we expect that around 90 per cent of customers will have left Jobseeker's Allowance. People remaining on Jobseeker's Allowance after 12 months are likely to have serious and multiple challenges. They will be referred to a specialist contracted provider with whom the customer will agree a personalised action plan. The customer will have up to a year to work with the provider to find sustained employment or, as a minimum, to undertake a period of mandatory activity.

### For disabled people and people with health conditions

We are aiming to reduce the number of people on incapacity benefits by one million from their 2005 levels. We set out how we would do this in *A new deal for welfare: Empowering people to work* (2006). In return for support and security on benefits, it is right that people take up the opportunities we offer.

We have made good progress: the number of incapacity benefits claimants has fallen by 137,000 since its peak, reversing a trend that saw the caseload more than treble between 1979 and 1997. Pathways to Work has helped more than 69,000 people into work so far and will be available to everybody in Britain from April 2008.

In October 2008 Employment and Support Allowance will replace Incapacity Benefit for new customers. This will help people move back into sustainable work, rather than labelling people as incapable of working.

We have announced that existing customers under the age of 25 will move onto mandatory Pathways to Work and be made subject to the new Work Capability Assessment, focusing on what people **can do**, not what they can't.

We are improving the support available to help people remain in work – including providing practical support for healthcare professionals and employers – and will develop a new coordinated approach across government to tackle the problems faced by people with mental health conditions, the single biggest cause of sickness absence and Incapacity Benefit claims. We will also ensure that, like jobseekers and lone parents, those with health conditions are supported in developing the skills they need to succeed in the workplace.

## How we will help people gain and retain work

We will provide personalised and responsive support to our customers, helping them to improve their skills so that they can remain, and progress, in work. Jobcentre Plus advisers and their managers will be given greater discretion and flexibility to tailor interventions to meet the needs of customers.

We will work with **public, private and third sector organisations** clearly setting out what we want to achieve and what we expect from organisations. We will work with our partners to share good practice, help to drive up performance and ultimately to improve outcomes.

We will also improve our partnerships with **employers**. Local Employment Partnerships strengthen the relationships between Jobcentre Plus and employers and provide a premium job broking service for employers, in return for a stronger than normal commitment to taking on people from disadvantaged groups.

We will continue to build Local Employment Partnerships to provide even more jobs for our customers and enable them to progress in work through training. Over 250 employers have already committed to working through Local Employment Partnerships.

The Learning and Skills Council and Jobcentre Plus will align funding to support Local Employment Partnerships and are developing a joined-up employment and skills service to offer support both to employers and individuals to provide a seamless service of 'recruit, train and retain'.

We will continue to **empower local communities** to harness the commitment, energy, ideas and funding streams of local public sector partners and employers to find solutions to local unemployment through the City Strategy. We will combine resources at a local level to launch a new £1.5 billion Working Neighbourhoods Fund to put employment at the heart of area-based regeneration.

### Benefit reform

We will continue incrementally to **reform the benefits system** to support people into work, ensure social justice and make work pay. This will include piloting in 2008 and, if it proves successful, extending in 2009 a **new better off in work credit**. This will give assurance to people who have been on long-term benefits that their weekly in work income, including in work benefits, will be at least £25 per week more than they received from out of work benefits.

We recognise that benefit reform is a complicated and difficult process and that transformation will take many years and many small steps rather than one massive jump. Our clear goal is to transform the benefits system to make it more active and promote social justice. We intend to set out further details of our approach to incremental benefit reform next year.

## Working with the Devolved Administrations

The challenges we face in achieving sustained employment are common across all countries. However, policy for skills, childcare, health, local government and regeneration – all of which are closely linked to the proposals in this paper as regards England – are the responsibility of the Devolved Administrations. We are therefore working closely with Scotland and Wales to establish how to implement the welfare reform proposals outlined in this paper in a way that meets their own particular circumstances and needs. Additionally, employment is devolved to Northern Ireland. The Northern Ireland Executive will consider the most appropriate arrangements for Northern Ireland.





## Chapter 1

# Sustainable employment





The UK is a world leader in promoting employment, but we need to do more.

Economic success must be joined with social justice.

We have set out our long-term aspiration for an employment rate of 80 per cent with employment opportunity open to all.

Work is good for people of all ages, their families and society, and vital in the fight against child poverty.

The world of work is changing, more skills are needed to get a job and progress in work: individuals, organisations and government will need to face this challenge head on.

# Chapter 1 – Sustainable employment

## Introduction

In the 10 years since 1997 the UK has had an employment record to be proud of. Over 2.8 million more people are now in work, there are more than one million lone parents in work, over 1.8 million more over 50s in work and the number of people on incapacity benefits is now consistently falling and at its lowest level for eight years.

The employment level in the UK is the highest it has ever been and mass unemployment has become a memory of the late 1970s, 80s and early 90s. The UK employment rate is one of the highest in the world, beating that of the United States, Japan and Germany, causing other countries to look to the UK for inspiration when considering how to tackle unemployment in their own countries.

This success is down to a well-run economy and labour market flexibility, coupled with employee rights and active programmes – the New Deals – to support people to take up work.

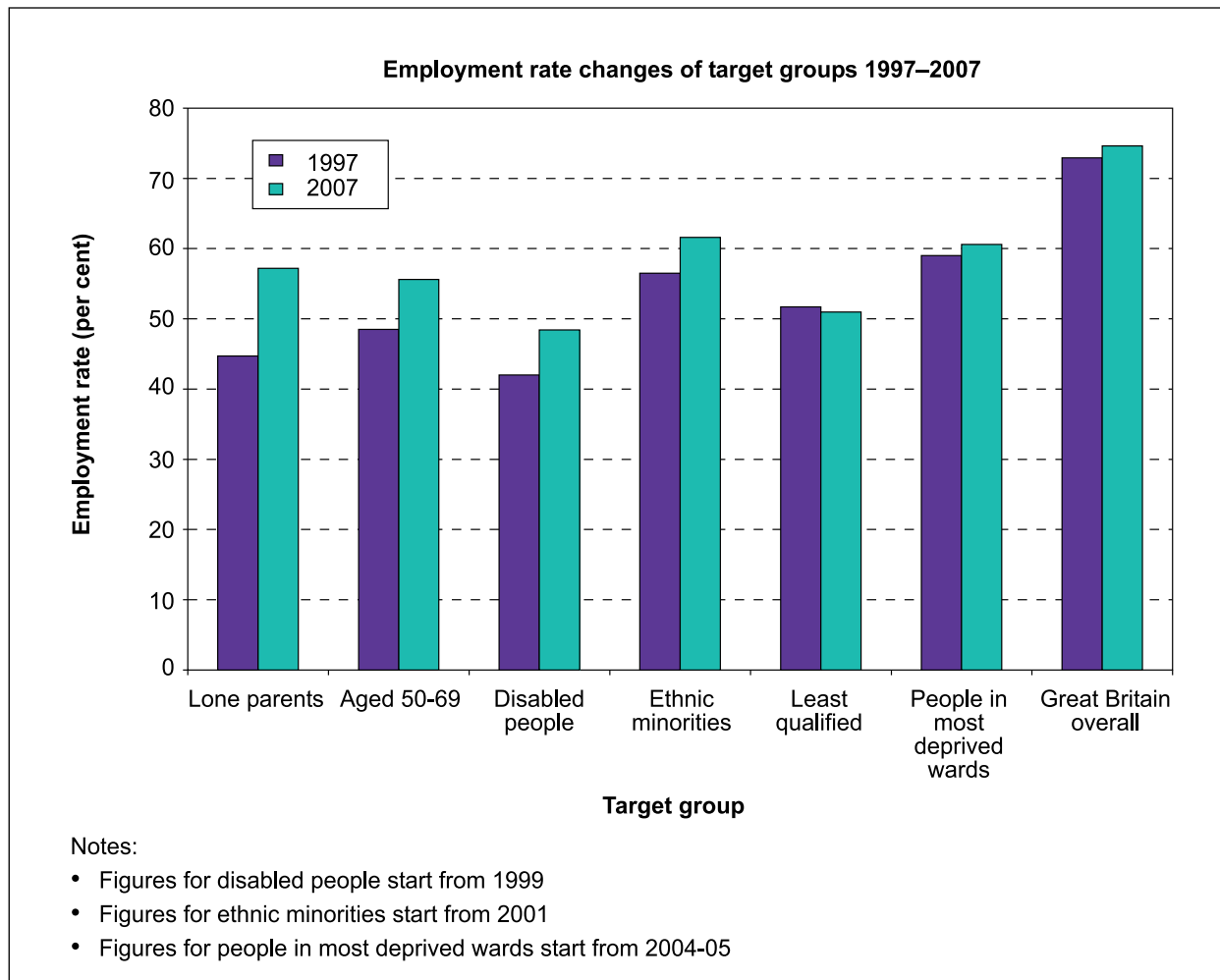
This Government's policies have combined economic efficiency with social justice, supporting people into work and reducing child poverty. We want to halve child poverty by 2010 and eradicate it by 2020, breaking the inter-generational cycle of worklessness and disadvantage.

*The Department for Work and Pensions has played a key role in reducing child poverty to date, primarily through supporting individuals into employment.*  
Lisa Harker, November 2006 *Delivering on Child Poverty: what would it take?*

To ensure that no one is left behind, we have identified groups that face particular challenges in moving into work. Since 1997 employment rates for these groups<sup>13</sup> have improved, with the exception of the lowest qualified people. We are aligning our employment and skills agendas to provide more support for those people with no or low qualifications and to ensure that everyone can move into, and progress in, work.

Increased global mobility has meant that more people are entering and leaving the UK. The UK's flexible labour market and growing economy has attracted migrants from abroad at the same time as it has created jobs for British workers. Since 1997 there has been an increase in both UK and foreign nationals in work.

<sup>13</sup> Groups identified in the 2004 Spending Review: [http://www.hm-treasury.gov.uk/media/A/6/sr04\\_psa\\_ch15.pdf](http://www.hm-treasury.gov.uk/media/A/6/sr04_psa_ch15.pdf). These were updated slightly in the 2007 Spending Review – see footnote 14.



It is clear that British society is becoming far more diverse. At the time of the 1991 census, only six per cent of the working age population was from an ethnic minority. Today, ethnic minorities make up:

- 11 per cent of the working age population;
- 14 per cent of the secondary school age population; and
- 17 per cent of the primary school age population.

For reasons of both economic efficiency and social justice, we need to maximise the benefits of a diverse workforce.



To maximise the knowledge and skills in local areas, in July 2007 the Government published the *Review of Sub-National Economic Development and Regeneration*<sup>14</sup> which set out a stronger role for local authorities in delivering sustainable economic growth and tackling deprivation, supported by increased collaboration across economic areas. This includes the establishment of Multi Area Agreements, a streamlined regional tier, single strategic regional plans, clarification of central government roles and regional Ministers. The review set out the framework that the Government will put in place to ensure that all parts of the country can respond to economic changes and increase prosperity for all.

As we said in the Green Paper, we can go further to ensure that there are job opportunities for all and that people who can work have the best support and incentives to help them move into work.

## Why work matters

Work is the main route out of poverty for all groups within society. **Work is good for you:** people who work are better off financially, better off in terms of their health and well-being, their self-esteem<sup>15</sup> and the future prospects for themselves and their families. Work promotes choice and independence for people, supports our society and increases community cohesion.

Helping more lone parents into work is vital if we are to eradicate child poverty by 2020. A child of a lone parent who works part time is only a third as likely to be living in poverty as a child of a lone parent who doesn't work<sup>16</sup>. A child is less than a fifth as likely to live in poverty if the lone parent works full time. Since 1997 over 600,000 children have been taken out of poverty. We need to make sure that no child grows up in poverty, and supporting parents to help them into work and to acquire the skills they need to enter and progress in work is the best way of achieving this.

Work also matters for society as a whole. Both economic prosperity and fairness dictate that everyone who can work should be expected to do so, especially where people would otherwise be seeking to be supported through taxpayers' money. That is why our new approach will see increasing numbers of those on out of work benefits moving from being passive recipients to active jobseekers. In addition, people who may not presently be able to work, but may be able to do so in the future should be expected to take the steps necessary to make themselves job ready.

<sup>14</sup> [http://www.hm-treasury.gov.uk/spending\\_review/spend\\_csr07/reviews/subnational\\_econ\\_review.cfm](http://www.hm-treasury.gov.uk/spending_review/spend_csr07/reviews/subnational_econ_review.cfm)

<sup>15</sup> Waddell, G. and Burton, A. Kim, 2006. *Is Work Good for Your Health and Well-being?* TSO (The Stationary Office).

<sup>16</sup> Departmental analysis shows that a child living with a lone parent who works at least 16 hours per week is three times less likely to be in poverty than a child living with a workless lone parent.

### A mum's actual experience

Rebecca had been looking for work for more than a year, but was struggling to find something suitable that would fit around her parental responsibilities. As a lone parent with a seven-year-old son, Rebecca wanted a job that would either let her drop her son Ryan off at school or let her pick him up.

Jaine Barrow, her New Deal for Lone Parents adviser, suggested 30-year-old Rebecca apply for a job at Fire Defence, a local fire protection company based in South Molton, Devon. Fire Defence had a good reputation when it came to employing lone parents, allowing them to work the short days they needed to accommodate the school run.

Rebecca started work as a part-time filing clerk in August 2005, but within a year she was promoted to office manager and is now working full time.

“Jaine was absolutely brilliant,” said Rebecca. “It’s not so much about the money; but also about getting your identity back. Now, I’m Becky, and not just Ryan’s mum.”

“I can’t understand why people feel that they can’t return to work because of their children. There are good jobs out there, and also good childcare. Today, Ryan is a really confident child who understands that his mum goes out to work. He is being brought up to believe that if you want something, then you have to go out and earn the money for it.”

The Government has a corresponding responsibility to provide the framework to help people into work, for example by ensuring that work pays and that there is appropriate childcare. Since 1997 we have made, and continue to make, substantial progress on this.

## Supporting people into work

Since 1997 we have implemented a framework to support this approach which includes:

- the introduction of a National Minimum Wage;
- the introduction of tax credits;
- improved employee rights;
- the right for parents and carers to ask for flexible working – we have recently commissioned an external review to see how this can be extended to parents with older children;
- improved access to childcare; and
- early health interventions.

### **An example of someone better off in work**

A couple with one child were out of work and receiving Income Support. They made the decision that one of them would return to work and were really surprised to find out how much better off they were. Their weekly income rose by nearly £120.

Before the move to work they were concerned about how well off they would be if only one of them returned to work. They were worried that they wouldn't have very high earnings and would lose all of their Income Support. What they didn't realise was how much extra help they would receive through Working Tax Credits once they moved into work.

While the couple were both out of work they received £156.68 per week. This was made up of Income Support (£92.80), Child Benefit (£18.10) and Child Tax Credits (£45.78).

When the mother started working 35 hours per week at the National Minimum Wage their total weekly income rose to £276.40 per week, making them £119.72 better off in work. Their new weekly income was made up of earnings (£193.20), Child Benefit (£18.10) and Child Tax Credits (£45.78). They were now also entitled to Working Tax Credit (£44.82) which they hadn't received when both of them were out of work. They also paid a little tax (£15.25) and National Insurance (£10.25).

They were particularly worried about their housing costs. While on Income Support they also received Housing and Council Tax Benefits and they had always been worried about what might happen to this if one or other of them moved into work. When they moved into work, they found that they were still entitled to Housing and Council Tax Benefits. They had to pay for some of the rent themselves, because of their higher weekly income, but even after paying for this they were still better off by £39.20 per week.

We want to do more to encourage people to take up and retain jobs and to make work pay. On 26 November 2007, the Prime Minister announced that we will be doing more to ensure that the long-term unemployed, lone parents and those on Incapacity Benefit are better off in work, even after reasonable travel costs.<sup>17</sup>

In 2008 we will pilot a new better off in work credit which will allow us to assure customers who have been on Incapacity Benefit (and Employment and Support Allowance on its introduction), Income Support or Jobseeker's Allowance for 26 weeks or more that if they move into full-time<sup>18</sup> work they will have an in work income, including any in work benefits, of at least £25 per week more than they received from out of work benefits.

<sup>17</sup> <http://www.pm.gov.uk/output/Page13851.asp>

<sup>18</sup> Full-time work means 16 hours per week for the customer and 24 hours per week for the partner as these are the points at which a customer would normally be required to move off out of work benefits.

If, on returning to work, a person can show that their weekly income in employment is not £25 more than they received on benefit, even after the in work benefits to which they are entitled, they will be able to apply to Jobcentre Plus for a top-up payment that would take them up to this level. The top-up payment will last for up to 26 weeks. If the trials prove successful we will extend the scheme nationally in 2009.

## Full employment in a generation

Full employment became a central policy objective in the UK with the creation of the Welfare State after the Second World War. During the two decades up to 1997 this objective was abandoned because it was thought impossible. When the current Government began to talk of re-establishing full employment as a key policy objective it was generally derided as vague and unachievable.

The old definition of full employment was measured in terms of low unemployment, which Beveridge defined as a claimant count rate of three per cent or less. We have achieved that, but it is no longer sufficient.

Starting with the introduction of the New Deal in 1998, the Government has demonstrated a determination to move towards full employment – and to apply the concept in a modern setting. A new definition of ‘Full Employment in the 21st century’ was set out in Gordon Brown’s speech to the 1999 Labour Party Conference – high and stable levels of employment with employment opportunity for all. This aim of maximising employment opportunity for all continues to be one of the key aims of this Government<sup>19</sup>. What this means in practice is our long-term aspiration of **an employment rate of 80 per cent, up from 74 per cent, with employment opportunity open to all.**

Government policy to help more people actively seek work is likely, temporarily, to lead to an increase in the number of people claiming unemployment benefits, although this will not reflect an actual increase in the total number of people out of work or claiming benefits. The number will increase as some people move off **inactive** benefits (such as Income Support and Incapacity Benefit) onto **active** benefits, where the obligation is to look for work. However, in the longer term the number on benefits overall will fall, and the numbers in work will increase.

The aspiration reflects our desire to ensure that no one is left behind or misses out on the benefits of economic progress and the financial, social and health benefits of being in work. Since 1997 we have identified the areas and groups where we would like to extend opportunities and inclusion. We have also learnt more about what works.

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<sup>19</sup> Publication of the Public Service Agreements for 2007-11  
[http://www.hm-treasury.gov.uk/pbr\\_csr/pbr\\_csr07\\_speech.cfm](http://www.hm-treasury.gov.uk/pbr_csr/pbr_csr07_speech.cfm)

We know that some people in society face greater employment challenges and we want to support them to overcome these. This means increasing the opportunities for those identified as our key target groups: disabled people, older people, lone parents, people from ethnic minorities, those living in the poorest areas, people with low or no qualifications and socially excluded groups. People with these characteristics can also have additional challenges to getting into work which need to be taken into account and we are particularly keen to address the high rate of worklessness in social housing.

There are existing policies to help people in these groups find jobs, but we believe we can do more to provide a more flexible and personalised service. That is why, for example, we are working with local employers to form Local Employment Partnerships. These give local businesses the chance to tell us what their needs are and gives people with high barriers to employment a chance to gain appropriate skills, move into work and progress in employment.

## Integrating employment and skills

Against a background of increased global competition, we can achieve more growth and more jobs. Helping people move into work is the key challenge. But it is only the beginning. To enable the British economy to thrive, and for individuals to realise their aspirations in the face of new challenges and opportunities, we must unlock the skills and talents of every individual. Government action alone cannot deliver the world-class skills we need for our workforce. We will only succeed as a nation if employers take greater responsibility for improving the skills of their employees, and if individuals take more responsibility for improving their own skills.

We are working closely with the Department for Innovation, Universities and Skills to build on the work of Lord Leitch and ensure that we have a skilled workforce that reflects the needs of the 21st century. On the 26 November 2007 we published *Opportunity, Employment and Progression: making skills work* which set out how the employment, welfare and skills systems are being aligned to reflect this.

We have made a commitment to helping individuals in work continue to train and gain new qualifications so that they can progress to better jobs and achieve more for themselves and their families. The new adult advancement and careers service and the expansion of Train to Gain, which provides in work training to meet the needs of employers and individuals, will be crucial to achieving our ambition. We will also:

- help those on benefits identify skills needs and where they can find support; and
- ensure that the training people need to upgrade their skills is available when they need it.

Partnership is crucial to our aim. We will build on the existing collaboration between Jobcentre Plus and the Learning and Skills Council to integrate better services for employment and skills. This will be underpinned by a shared Department for Work and Pensions and Department for Innovation, Universities and Skills objective to move people into sustainable employment and help them progress.

## Elements of our agenda to integrate employment and skills

### **Skills screening and Skills Health Checks**

Every customer on benefits will, in future, be signposted to the full range of services provided by the new adult advancement and careers service. They will receive a skills screen, to identify basic literacy, numeracy or language needs. For those with clear needs, this initial screen will be complemented by an in-depth Skills Health Check to fully assess their learning requirements and advise on the training needed to support a return to work.

### **A new adult advancement and careers service**

The new careers service for adults in England will be an advancement service with the potential to help every member of society get on in learning and work. The new service will be trialled over the next two years and be fully operational from 2010-11. The service will bring together existing Learndirect and Nextstep advisory services within a new organisation. It will work in close partnership with Jobcentre Plus and a range of statutory and voluntary advice services to deliver a seamless customer service.

### **New Skills Accounts**

Along with the adult advancement and careers service, new Skills Accounts will enable individuals to take control of their learning, giving them greater purchasing power to access the training they need to develop and improve their skills to support job entry and progression. Skills Accounts will last a lifetime and will be offered to all adults, in and out of work, whatever their qualification level. We are working up proposals to trial Skills Accounts from 2008 alongside other key elements of an integrated employment and skills service.

### **Employability Skills Programme**

A new programme was rolled out nationally from August 2007 to target the basic skills needs of Jobcentre Plus customers. The programme is flexible in design and offers the opportunity to improve literacy, numeracy and language skills, prepare for work with an employability qualification and supports participants in finding sustainable employment with training.

**Employers – investing in skills, partners in success**

The employer-led UK Commission for Employment and Skills will be operational from 1 April 2008. It will be primarily advisory in nature and will strengthen employer influence and leadership. It will advise Government on the employment and skills systems, seeking to ensure that they are flexible enough throughout the UK to respond effectively to competitive challenges, changing employment trends and employer demand.

At both the employer and individual level, Train to Gain and Skills Accounts will offer employers and individuals opportunities to take control of their skills development and to exercise choice as part of a truly demand led system.

**Financial support**

In *Opportunity, Employment and Progression: making skills work* we announced that we will be introducing new allowances for Jobseeker's Allowance customers, enabling them to study full time for up to eight weeks on employability focused training (for example, linked to Local Employment Partnerships).

We also announced that we will be removing the '16 hour rule' in Housing Benefit completely for short-term recipients of Incapacity Benefit, so that they, like long-term Incapacity Benefit claimants, will always be able to take up the training they need to enable them to return to work.

**Support for vulnerable groups**

We are also looking at ways we can support specific vulnerable groups undertaking full-time training, such as young people living in supported accommodation.



## Milestones

- April 2008** UK Commission for Employment and Skills operational.
- 2008-09** Trial aspects of the Integrated Employment and Skills Service including:
- new adult advancement and careers service in England;
  - aspects of Skills Accounts; and
  - Jobcentre Plus to test a new integrated screening tool for basic literacy, numeracy, language and employability skills.
- 2009-10** Phased implementation of the Integrated Employment and Skills Service including:
- trialling of mandatory Skills Health Checks;
  - joint target to get more people into sustainable employment made operational for the Learning and Skills Council and Jobcentre Plus;
  - trialling of Skills Health Checks for lone parents;
  - expanded trials of Skills Accounts;
  - skills screening for all new Jobseeker's Allowance, Employment and Support Allowance and Income Support claimants (rollout complete 2011);
- 2010-11** Fully integrated Employment and Skills Service, including:
- new adult advancement and careers service fully operational; and
  - further expansion of Skills Accounts to provide access to £500 million funding for skills.





## Chapter 2

# Sustainable employment for lone parents

We have already made substantial progress in helping lone parents into work, but we need to do more.

Helping more lone parents into work is good for their health, boosts self-esteem, promotes independence and lifts children out of poverty.

It is reasonable that once children are older, lone parents claiming benefit who are able to work should move from being passive recipients of Income Support to active jobseekers on Jobseeker's Allowance.

Increased obligations will be supported by appropriate and affordable childcare, suitable and flexible jobs and tailored employment and skills provision, with Jobcentre Plus advisers given more discretion to assess individual circumstances.

Current and new flexibilities and services will help lone parents meet their obligations to look for, take up and stay in work.

## Chapter 2 – Sustainable employment for lone parents

Since 1997 the lone parent employment rate has increased from 44.7 per cent to 57.2 per cent in 2007<sup>20</sup> and over 600,000 children have been lifted out of poverty. We have made good progress, but we still face major challenges if we are to meet our targets of a 70 per cent employment rate for lone parents and the eradication of child poverty.

50 per cent of children in lone parent families are still living below the poverty line. A child of a lone parent who works part time is only a third as likely to be living in poverty as a child of a lone parent who doesn't work<sup>21</sup>. A child is less than a fifth as likely to live in poverty if the lone parent works full time.

Work is also good for people's health, not being in work is bad for it. It is proven that being in work boosts self-esteem, health and well-being<sup>22</sup>. People who have been out of work for a long time, or who have never worked, are up to three times more likely to have poor health than those in work.<sup>23</sup>

Having parents in work also boosts children's self-esteem<sup>24</sup>. When parents leave benefit and move into work, their children become more independent, understand the value of money, and gain from treats and activities<sup>25</sup>. There's a trade-off between time and money, but get the balance right and everyone wins.

We want to help more lone parents on benefits access opportunities to improve and develop the skills they need to enable them to move into sustainable employment. Helping parents into work will boost family income and lift their children out of poverty. We will ensure that support, including skills development, is individually tailored and flexible enough to meet the needs of lone parents. This means they will be able to effectively combine work with their responsibilities as a parent.

Lone parents will not be forced into jobs that do not suit their circumstances. Their individual situations will be taken into account by Jobcentre Plus advisers. This will enable lone parents to look for part-time employment if that best suits them and their family.

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<sup>20</sup> Second quarter of 2007.

<sup>21</sup> Departmental analysis shows that a child living with a lone parent who works at least 16 hours per week is three times less likely to be in poverty than a child living with a workless lone parent.

<sup>22</sup> Waddell, G. and Burton, A. Kim, 2006, *Is Work Good for Your Health and Well-being?* TSO (The Stationary Office).

<sup>23</sup> Office of National Statistics Census 2001.

<sup>24</sup> Ridge, T. and Millar, J., 2006. *A fine balance: managing work and family life*.

<sup>25</sup> Farrell, C. et. al., *Low income families and household spending*. DWP Research Report No 192.

## General response to the lone parent proposals

There was strong overall support for encouraging and enabling lone parents to work. This was conditional on there being good quality, affordable childcare, and suitable and flexible employment opportunities available locally. There were concerns about the introduction of obligations for lone parents and what age children should be if obligations were introduced.

### Childcare

#### What you said about the availability of childcare

*“The Childcare Partnership does not see the reduction in the age eligibility criteria in itself as being inappropriate, the real difficulty for lone parents will be accessing good quality, affordable and flexible childcare.”*

East Ayrshire Childcare Partnership

*“Most lone parents do want to work but can’t find childcare. Whilst I accept the government say they are trying to provide wrap around care, not enough schools offer it at present to realistically meet the needs of children and parents.”*

Individual (lone parent)

We have made significant progress in supporting the provision of childcare services. There are currently over 1.28 million places in England – more than double the 1997 level. Increases in the help available through tax credits have helped ensure that childcare is affordable for low and middle income working families.

The Childcare Act 2006 places a legal duty on local authorities in England and Wales to secure sufficient childcare to meet the needs of their local communities, in particular for those on low incomes and with disabled children. This duty comes into effect from April 2008, six months before the proposed new obligations for lone parents begin to take effect. Local Strategic Partnerships and local authorities can provide a framework for partners to work together to provide joined up services at the local level.

Childcare is a devolved issue and the provisions of the Childcare Act do not apply in Scotland. However, the Scottish Executive has invested significantly in this area and has committed to improving childcare availability to meet the needs of working parents.

It is also our aim that, by 2010, every school in England will be an extended school. Working with local partners, extended schools will offer access to childcare and supervised activities beyond the school day and in school holidays. Every child will be able to access a varied menu of activities, before and after school, such as homework clubs, sport, music, arts and crafts or other special interest clubs, and volunteering and business and enterprise activities.



More than 8,400 schools – over one in three of the total – already offer access to the core extended services. This is ahead of schedule. Many extended schools are located in deprived areas.

So, for those lone parents that do need childcare, services are increasingly available. We will make sure that Jobcentre Plus advisers who work with lone parents fully understand any local childcare issues – including problems which some ethnic minority parents report about finding suitable childcare. We are working with the Department for Children, Schools and Families to explore ways to increase ethnic minority take-up of childcare, and – wherever possible – integrate this approach with other services, such as our Partners' Outreach for Ethnic Minorities programme, to help parents back to work.

Jobcentre Plus will also work closely with local authorities to assess any changes in the demand for childcare in their areas resulting from the increased obligations placed on lone parents to seek work. This process will be aided by the dedicated Childcare Partnership Managers who are located in every Jobcentre Plus district.

In response to consultation comments and because we acknowledge that childcare can be a particular concern for lone parents, we will amend regulations to give Jobcentre Plus advisers additional discretion so that **a lone parent who is claiming or receiving Jobseeker's Allowance will not be penalised if they leave a job, or fail to take up a job, because appropriate, affordable childcare is genuinely not available.** We will discuss with lone parent groups how best to develop the regulations and guidance around these childcare provisions.

Jobcentre Plus advisers will have the flexibility to ensure that, in addition to childcare needs, the other particular circumstances of individual lone parents, including those with disabled children, are accommodated. This is outlined below.

## Employment opportunities

### What you said about flexible working

*"If [the Government] really wants lone parents working, then they must do something about the availability of work during suitable/flexible hours."*

Individual

*"We suggest that the right to request flexible working for parents with older children, and for other disadvantaged groups identified in the Green paper, is a central part of the Jobs Pledge and the newly established Local Employment Partnerships with businesses."*

4Children

The UK labour market has the flexibility to provide more employment opportunities for parents than most other countries, with a wide range of jobs and patterns of work that enable parents to combine work with their family responsibilities. Since 1997 many lone parents have taken advantage of these flexibilities to move off inactive benefits and into work.

The availability and take up of arrangements that allow lone parents to maintain a work-life balance continues to increase. But at present parents, including lone parents, with children aged seven or over do not have the right to request flexible working. The Government recognises that the availability of flexible working will be important in enabling lone parents with older children, like other parents, to juggle work and family life. On 6 November 2007, the Prime Minister announced the Government's intention to extend the right to request flexible working to parents of older, teenage children. The Department for Business, Enterprise and Regulatory Reform has asked Imelda Walsh, Human Resources Director of J Sainsbury PLC, to lead an independent review to determine how this can be achieved.

## Taking forward the proposals

### What you said about the proposals

*"We agree that lone parents should look for work when their child reaches 12 or even 7 years of age, as long as an individual support package is put in place."*  
Gateshead Council

*"We are not convinced that the new approach is the right one as the required support systems, primarily affordable, quality childcare and flexible working, still remain out of reach for many lone parents."*  
Daycare Trust

*"We believe that it would be wrong to simply move lone parents from Income Support onto the Jobseeker's allowance regime: an unrestricted requirement to search for work is inappropriate given the complex and difficult circumstances many lone parents face."*  
One Parent Families|Gingerbread

*"In my opinion if a mother chooses to stay at home and be a primary care giver for her child(ren) this is a very important choice."*  
Individual

*"I have spent 4 years as a Lone Parent adviser and I am now doing a mixture of this and IB advising. I was really pleased to hear about the proposals to change the age at which Lone Parents must start to look for work."*  
Jobcentre Plus lone parent adviser

## Lone parent obligations

Some respondents thought that lone parents should remain at home with their children until their youngest child is 16. Many did not support the introduction of obligations on the basis that lone parents should be able to choose to stay at home to care for their children full time. However, evidence shows that such long-term inactivity has harmful effects on the long-term prospects of the parent, the children, the family and the community.

Consistent with the principle of rights and responsibilities, we consider that once children are older, lone parents who are able to work and are claiming benefits should be expected to look for work.

Therefore, as proposed in the Green Paper, we intend that from October 2008 lone parents with older children will no longer be entitled to Income Support solely on the grounds of being a lone parent. Instead those able to work may claim Jobseeker's Allowance. They will be expected to look for suitable work and, if necessary, acquire the skills they need to do so, in return for personalised help and support.

To ensure each individual is fully supported during the change, this will be implemented over three years. The change will be introduced for lone parents with:

- a youngest child aged 12 or over from October 2008;
- a youngest child aged 10 or over from October 2009; and
- a youngest child aged 7 or over from October 2010.

The middle step in this process was not part of the proposals in the Green Paper. This stepped approach will allow us to provide more support in helping lone parents make the transition between benefits and move into employment. In addition, any growth in the demand for childcare or other services will be easier to manage.

We have decided to place the threshold at a youngest child aged seven because by this age a family will have established a routine with the child going to school. The parent returning to work will therefore cause minimal disruption. Also, by the time this change is implemented for the youngest age group in October 2010, schools in England will be able to offer all children childcare between 8am and 6pm throughout the year.

It is essential that lone parents who are affected by these changes have a smooth transition to Jobseeker's Allowance. Jobcentre Plus staff will use Work Focused Interviews, which will take place every three months in the year before the move, to provide plenty of advance notice and explain the differences in benefit and responsibilities. They will also work with local authorities and other organisations to ensure payments such as Housing Benefit and Child Tax Credits are processed correctly so there is no gap in payment.

These changes will apply to lone parents already on Income Support when their youngest child reaches the appropriate age and to people claiming benefits for the first time.

## International comparisons

An international review by the Organisation for Economic Co-operation and Development (OECD) recommended that, with the right support in place, the UK should consider further extending work tests for lone parents<sup>26</sup>. As mentioned in the Green Paper, the UK is rare amongst OECD countries in having a specific benefit for lone parents which has no reciprocal obligation to look for work. Most countries have moved, or are moving, to tougher work obligations on lone parents.

With the increasing provision of childcare, more financial incentives and additional employment support, governments in a range of countries are increasing the obligations that lone parents must fulfil to receive benefits. In such countries, eligibility is often limited to lone parents with a youngest child above a certain age. For example, conditionality in Australia begins when the child is six, in The Netherlands when the child is five, and in France and Germany when the child is three.

Experience from other countries strongly suggests that more lone parents move into work when more stringent work search requirements are aligned with satisfactory supportive measures.

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<sup>26</sup> OECD, May 2005. *Thematic report on Family Friendly Policies*. OECD.



## Learning from US experience

There has recently been a lot of attention, from politicians, academics and commentators, on reforms to the US welfare system. Their experience clearly shows the need to strike the correct balance between rights and responsibilities in the welfare system. For example, the Wisconsin reforms from the late 1980s onwards abolished benefits for anyone without children; lone parents with children as young as 13 weeks were forced into work; and a cap was put on the benefits caseload regardless of whether people actually needed assistance. Advocates of the model state that its tough approach alone is justifiable because it works. It does not.

The unemployment caseload in Wisconsin did fall by around 80 per cent during the 1990s. However, much of this decline was due to a strong economy and national measures to make work pay, including the expansion of in work tax credits and an increase in the minimum wage. Furthermore, it appears that, some claimants were redirected to 'inactive' federally funded sickness benefits – the federally funded sickness benefit caseload increased during the same period. Wisconsin reforms did little or nothing to reduce child poverty. Indeed **absolute** child poverty in Wisconsin actually rose between 1998 and 2004 – at a time when absolute child poverty in the UK fell by fully a half.

These outcomes – which disguise the true level of economic inactivity – do not amount to an effective long-term solution to support people into work or tackle child poverty. In the UK, the Government has struck a better balance between these various objectives, combining reductions in those on benefits with steep falls in absolute and relative child poverty. We can also learn from the US experience in contracting out employment services to the public, private and third sector<sup>27</sup>. We published the interim report on our commissioning strategy on 27 November 2007 which makes clear our commitment to a competitive market of larger, longer contracts for providers of welfare to work services. In return we will be increasingly paying for these services through outcome focused contracts under which providers will have to achieve sustained job outcomes for claimants, as is the practice in New York City.

<sup>27</sup> <http://www.dwp.gov.uk/asd/asd5/rports2007-2008/rrep466.pdf>

## Lone parents in special circumstances

The arrangements described above will only apply to lone parents who are able to work. Lone parents who have other reasons for claiming Income Support, for example if they have children for whom the middle or highest rate care component of Disability Living Allowance is payable, or they claim Carer's Allowance, or are fostering, will continue to be eligible to claim Income Support. Lone parents with a health problem or disability may be able to claim the new Employment and Support Allowance.

### Flexibility for those on Jobseeker's Allowance

#### **What you said about Jobseeker's Allowance**

*"The Job Seekers Allowance regime is not designed to take into account particular difficulties lone parents can face accessing work, which could result in benefit sanctions being imposed unfairly."*

Barnardo's

*"We are already concerned about existing sanctions for families on low incomes and would strongly oppose any widening of sanctions as not in the best interest of children."*

Save the Children

For those able to look for and take up work, Jobseeker's Allowance is the most appropriate payment. Jobseeker's Allowance will ensure that lone parents look for work and that, in return, they get extra help and support.

But it is still understood that lone parents often have complex needs and that their individual situations need to be understood and considered.

There are already flexibilities within the support offered by Jobcentre Plus advisers for people on Jobseeker's Allowance, allowing advisers to customise services to help lone parents move into employment. 9,000 lone parents with a youngest child aged under 16 have already chosen to move onto Jobseeker's Allowance. These lone parents are able to meet the Jobseeker's Allowance conditions while making use of the help available to them.

These flexibilities allow lone parents to tailor their availability for work to their personal circumstances. For example, the requirements on lone parents can be changed based on their individual circumstances, including:

- their availability over school holidays;
- if the lone parent is ill;
- if their child is ill;
- if their child is disabled and has special childcare needs;
- if their normal childminder is ill; and
- if they have another unforeseen situation or personal crisis, which may include domestic violence or a relationship breakdown, which causes them to become a lone parent.

We do not want to see lone parents penalised when they are on Jobseeker's Allowance and we need to safeguard the welfare of children to ensure that hardship does not occur – as our long-term aim is to **reduce child poverty**. But there is a balance between providing safeguards to ensure lone parents facing difficult times are not penalised, and making sure that people on benefits who can work cannot opt out.

The best way to manage this is to ensure that skilled Jobcentre Plus staff work with individual lone parents throughout their journey so they understand and recognise their personal circumstances.

Some respondents were concerned that Jobcentre Plus advisers sometimes do not use the flexibilities that are available. As part of the plans to increase the tailoring of provision to meet the needs of each person, we plan to increase the discretion available to advisers. This will be backed by clear guidance for advisers on the existing and new flexibilities, and supported by the Jobcentre Plus reward and recognition systems.

This means that lone parents who have genuine reasons, or good cause, for not complying with their obligations to look for, or take up, work will not be penalised. Good cause could include a variety of reasons depending on the circumstances of the individual. For example, problems with childcare, illness of themselves or their children or their childcare support, transport difficulties, unforeseen family circumstances, domestic violence or relationship breakdown could all be considered as a good cause. However, this will not be a general 'opt-out' for those who would prefer to be on benefits.

The activities expected from Jobseeker's Allowance recipients are made very clear at the outset of the claim. They are reasonable and advisers are able to take account of individual circumstances. If lone parents legitimately fulfil their obligations as best they can, they will not be penalised. If lone parents do not comply with their obligations and cannot offer a genuine reason or good cause why they are not doing so, they will be penalised.

We believe the basic Jobseeker's Allowance framework is sufficiently flexible to ensure that sanctions will only apply where absolutely necessary. In addition, to safeguard the welfare of children, we plan to clarify and extend that flexibility for lone parents by:

- Amending regulations so that a lone parent who is claiming or receiving Jobseeker's Allowance will not be penalised if they leave a job, or fail to take up a job, because appropriate, affordable childcare genuinely is not available.
- Ensuring that, for all parents on Jobseeker's Allowance, claimants have a reasonable chance to show good cause for non-attendance. There will be at least one attempt at contact by telephone on the day from which the penalty will apply and, if contact is not made, a letter will be sent to the parent's home address telling them that if they do not contact Jobcentre Plus within five working days their entitlement to benefit will end. This will ensure that if the claimant can show good cause for non-attendance, there will be no break in the payment of benefit, while at the same time not delaying closing a claim.
- Reviewing the hardship regime which applies to parents in receipt of benefits to ensure it is appropriate for parents and that it supports the Government's objectives to reduce child poverty.

The number of hours in which a parent must be available for work each week can also be reduced from 40 to as few as 16 if they care for a child, and that is the most they can work. This will enable lone parents to look for part-time employment if that is appropriate to their circumstances.

We believe our proposals for an integrated employment and skills service and a flexible New Deal, which personalise support for people seeking work, go a long way to reassure those who have expressed concerns about the level and flexibility of support that will be available. Chapter 3 explains the flexible New Deal in more detail.

### **How will the changes affect lone parents – a potential case study**

Karen had been receiving Jobseeker's Allowance for a few weeks. She had previously been on Income Support for a long time. When moving to Jobseeker's Allowance, Karen had been worried that she would be forced into any job that was available. However, at her initial meeting with the Jobcentre Plus adviser, she explained that she could not work full time because she would have to look after her children. The adviser said that this would be alright as long as she was able to look for work of a minimum of 16 hours per week. This suited Karen perfectly and they went on to discuss the type of work Karen could do that fitted these hours.

Karen and the personal adviser discussed the jobsearch and financial support available, performed a Better Off Calculation to give Karen an idea of how much extra money she would get in work and discussed the availability of out of school childcare. Karen decided to join New Deal for Lone Parents so she could see a personal adviser regularly. In the first interview they discussed Karen's skills and the personal adviser suggested training as an option. Karen decided not to do this straight away, but to consider it later.

At her next interview, Karen's personal adviser checked on her progress and found she was having trouble writing CVs and application forms. The personal adviser suggested going to a Programme Centre which would help her with these, and also allow her to get other advice and access to free facilities including telephones, photocopiers, stamps, and newspapers. Karen agreed and found the help very useful – as a result she started getting invited for more and more interviews.

After one of her interviews Karen told her personal adviser that an employer had nearly offered her a job as a sales assistant for 16 hours per week, but they were unsure if her skills fitted the job. As a result the personal adviser checked whether the vacancy suited Karen's circumstances, called the employer to find out if they were still interested, and discussed the possibility of a Work Trial.

The employer agreed that this was a good idea and after a couple of weeks offered Karen the job. Karen's personal adviser then helped her fill in the forms to access the support she was entitled to. This included a Job Grant of £250, Housing Benefit extension of four weeks, help with childcare costs via the Adviser Discretion Fund and longer term support from In Work Credit and tax credits.

Her personal adviser also informed her that she could come back to Jobcentre Plus for the next few months if she needed extra advice or emergency financial assistance through the In Work Emergency Discretion Fund. Also, if she found she was not at least £25 per week better off in work than she was on benefit she could come back to Jobcentre Plus to claim a new credit.

## Providing support to help lone parents move into and stay in work

### What you said about help for lone parents to move into and stay in work

*“A flexible programme of support must be available to retain lone parents in work with the extension of Personal Adviser support once in employment and support for retention and progression in the workplace.”*

Wirral Council

*“However, if welfare reform is to have an impact on child poverty levels, lone parents must also be given both pre work and in work support to improve their skills levels.”*

Glasgow Works

*“Greater support is required for lone parents and other disadvantaged groups wanting to return to work or to enter work for the first time. The right to learning, taking degree courses and to claim benefits during college holidays would be a helpful step to offer people more choices in their work.”*

Public and Commercial Services Union

Assistance needs to be in place before October 2008 to support lone parents throughout the change. A strong package of support will ensure flexibility, make work pay and provide lone parents with the skills they need to remain and progress in work.

We already have a comprehensive package of assistance for lone parents, including the New Deal for Lone Parents. This will continue to be available to lone parents on Jobseeker’s Allowance until they move to a flexible New Deal provider – this will be after 12 months unless they are fast-tracked. We will make sure lone parents understand the options that are available to them by using specialist lone parent advisers where appropriate.

## Pre-employment support

A range of new measures will be available to assist lone parents, including a number announced in September 2007 by the Prime Minister. Depending on their individual needs and circumstances, lone parents will be able to take up some or all of the measures. Key pre-employment support measures from April 2008 include:

- **Group Seminars for Lone Parents** – Lone parents whose youngest child is aged 11 or over, or approaching 11, will be invited to group sessions that will enable them to understand how Jobcentre Plus and other partner organisations can help them prepare to return to work, develop their skills and understand how the local labour market works. This will apply to parents of younger children who will be losing eligibility for Income Support from 2009 and 2010.

- **Job Interview Guarantee** – Jobcentre Plus will aim to guarantee lone parents, who are willing and able to work, a job interview with an employer. We will also work with employers through Local Employment Partnerships to help provide even more job opportunities for lone parents.
- **Work focused pre-employment training** – Lone parents can already access full-time training whilst claiming Income Support. Systematically screening for skills needs at the start of a claim to Income Support, and referral to the adult advancement and careers service where appropriate, will ensure they have access to the necessary support and advice.

Lone parents on Jobseeker's Allowance will have access to the support offered by New Deal for Lone Parents as well as the same training opportunities as other Jobseeker's Allowance customers. For example, should their adviser think it is appropriate they will be able to participate in short, full-time employment focused training opportunities. They will transfer to a training allowance in order to take up this pre-employment training.

- **The extension and expansion of the New Deal Plus for Lone Parents pilots** – The New Deal Plus for Lone Parents pilots in the current pilot areas will be extended until March 2011. These pilots will also be expanded to cover all lone parents in London. The pilots bring together a comprehensive package of measures based on clearer guarantees of advice and support.
- **Quarterly Work Focused Interviews** – From October 2008 we will introduce quarterly Work Focused Interviews for lone parents in the last year before their child reaches the age where they may lose eligibility to Income Support.
- **Increasing the work trials period from three to up to six weeks** – Subject to changes in regulations, lone parents taking part in the New Deal for Lone Parents will be able to take part in a work trial for up to six weeks to enable an employer to assess the lone parent before offering them permanent work. Safeguards are in place to ensure there is no abuse of this by employers, for example they will not apply to seasonal jobs that do not last for 13 weeks or more. And the customer is able to walk away from the trial at any stage if they are not comfortable with the arrangements that have been put in place.



## A package of in work support

Key to helping more lone parents into jobs and moving more children out of poverty is to provide sustained assistance once someone has taken up a job. To ensure a tailored and individual service that responds to individuals needs and circumstances, the new range of measures to help people in work, from April 2008, are:

- **National extension of In Work Credit** – In Work Credit is designed to help participants cope with the financial aspects of the transition from welfare to work. It is a payment of £40 per week (£60 in London), paid for 52 weeks, made to lone parents who have been on benefit for 12 months or more and leave benefit for work of 16 hours or more per week.
- **In Work Credit and retention** – We will pilot using In Work Credit as an aid to retention. After a period of weekly payments to support the transition into work, lone parents will then receive lump sum payments dependent on attending a meeting with a personal adviser, to discuss their job, encourage their progress and see if any other support is needed.
- **In Work Advisory Support from Jobcentre Plus advisers** – Continued support and guidance from a personal adviser will be offered for all lone parents who have moved into work to help resolve any difficulties and direct individuals towards other support. Personal advisers, along with the adult advancement and careers service, will be able to make both individuals and employers aware of skills training opportunities, including Train to Gain.
- **The national rollout of the In Work Emergency Discretion Fund** – The In Work Emergency Discretion Fund will provide in work financial help to overcome unexpected financial barriers. These may crop up when a lone parent first starts work and might otherwise make it difficult for the lone parent to remain in employment.
- **Piloting the provision of upfront childcare costs in London** – Personal advisers and lone parents, particularly in London, tell us that there can be a problem in meeting the upfront childcare costs that many providers require. These can include registration fees, deposits and advance payments. To address this we will pilot providing upfront financial support for childcare for lone parents in London.
- **Lone parents will be able to claim a new credit to help them be better off in work** – This assistance, which will also be available to other long-term Incapacity Benefit and Jobseeker's Allowance recipients, will give assurance to lone parents, who have been on certain benefits for 26 weeks or more, that their income from work, including in work benefits, will be at least £25 per week more than they received from out of work benefits. We intend to pilot the credit in 2008 and, if it proves successful, extend it in 2009.

## Skills for lone parents

Our skills interventions for lone parents will take account of the range of circumstances they face. We will ensure that the right support is provided at the right time and our expectations of lone parents reflect their circumstances. Access to extra help with skills will help more lone parents find long-term jobs and lift them and their families out of poverty.

All lone parents will be signposted to the new adult advancement and careers service which will be able to advise them of their entitlements to training. In addition, lone parent Income Support and Jobseeker's Allowance claimants will undergo a skills screen when they start their claim. This will identify those with basic literacy, numeracy and language skills needs, who will be encouraged to take up the support offered by the new adult advancement and careers service or their local Children's Centre.

Sure Start Children's Centres can offer all lone parents with children under five a range of integrated services and support, including help and advice with training and employment.

When the increased obligations are in place, to ensure that all lone parents are making the preparations needed to engage with mandatory jobsearch, they will be encouraged to attend a full Skills Health Check in the period before they are due to lose eligibility to Income Support. We will consult shortly on whether these Skills Health Checks should be made mandatory for lone parents.

## Benefit movement from the changes

The changes set out in this chapter will affect around 300,000 lone parents on Income Support, with a youngest child aged seven or over, or nearly 40 per cent of those currently claiming Income Support.

This removal of eligibility for Income Support will mean some lone parents claim Jobseeker's Allowance, initially bringing about an increase in the numbers of people claiming Jobseeker's Allowance. Lone parents who successfully claim Employment and Support Allowance will also increase the numbers claiming that benefit. However, this will merely reflect a movement between benefits as the Income Support numbers will drop to reflect this.

As more and more lone parents start taking advantage of the support and opportunities available to them and move into work, we expect the overall number of people claiming out of work benefits to fall.

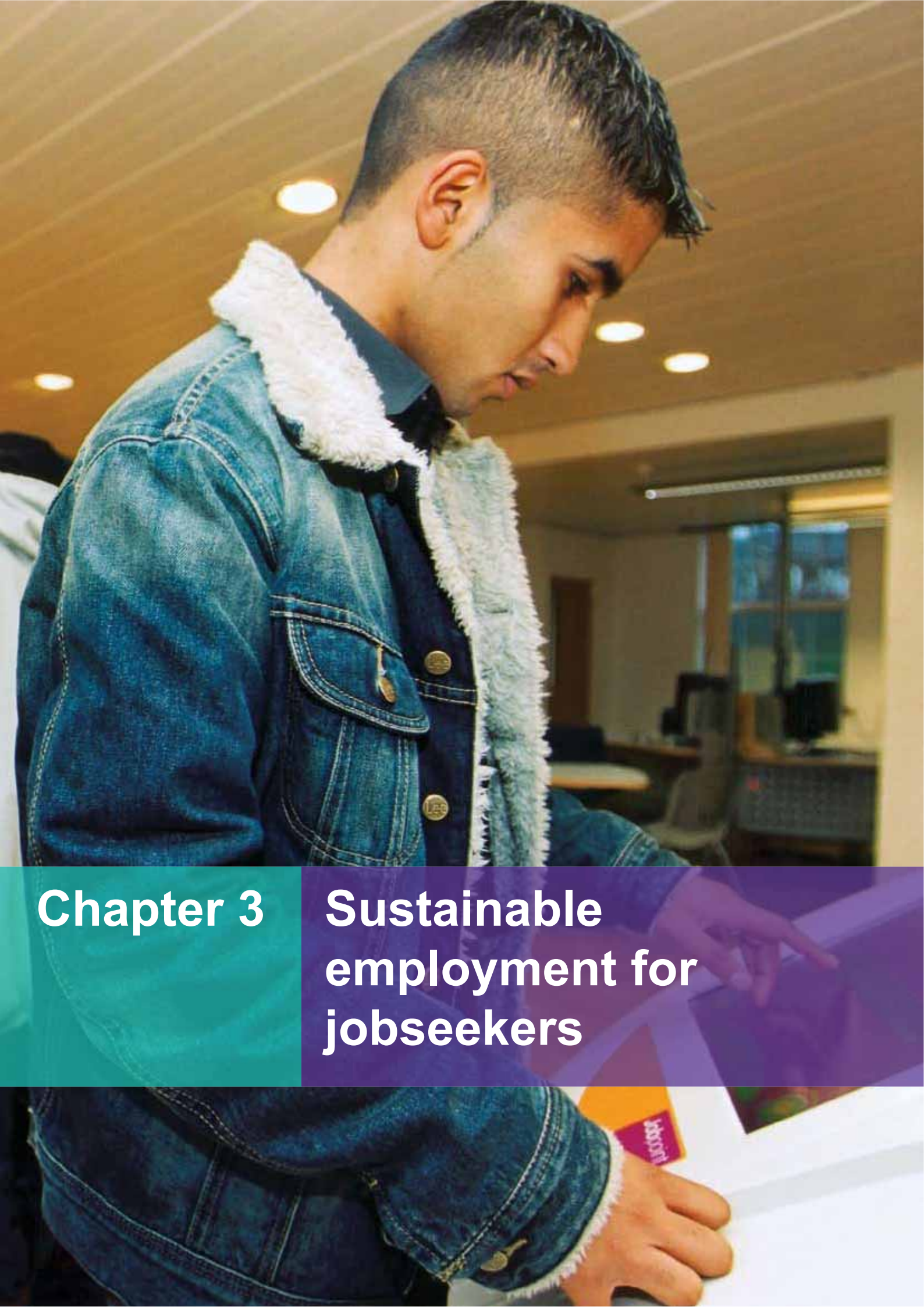
Although the employment rate for lone parents with older children is already higher than those with younger children, it is still just under 10 percentage points below that of partnered mothers with a youngest child aged 12-15, and the difference is even greater for those with children aged 7-11.

Reducing this gap will make a positive contribution towards a 70 per cent employment rate for lone parents, and make a real impact on child poverty.



## Milestones

- April 2008** Introduction of additional elements of the support package to assist lone parents into work.
- From October 2008** Lone parents with a youngest child aged 12 or over will no longer be entitled to Income Support solely on the grounds of being a lone parent.
- From October 2009** Lone parents with a youngest child aged 10 or over will no longer be entitled to Income Support solely on the grounds of being a lone parent.
- From October 2010** Lone parents with a youngest child aged seven or over will no longer be entitled to Income Support solely on the grounds of being a lone parent.



## Chapter 3

# Sustainable employment for jobseekers



Greater flexibility and more personalised support for people of all ages seeking work, including self-employment.

Action to help people break the cycle of short-term work and end repeated long-term unemployment and benefit claims.

A skills screen to identify any potential basic literacy, language and numeracy skills needs at the start of every claim for Jobseeker's Allowance.

People with the longest durations on benefit will be targeted for earlier support.

Pre-employment training and basic skills provision that supports further development and progression in work.

## Chapter 3 – Sustainable employment for jobseekers

### Jobseeker's Allowance and the flexible New Deal

We want to modernise the current New Deals by moving to a more flexible, personalised approach for longer term, more disadvantaged customers – the flexible New Deal. We are determined to end repeated returns to long-term unemployment and benefits that are suffered by too many people. These are the twin challenges that face us after 10 years of success in increasing the number of people in work to record levels and reducing child poverty. To meet these challenges we need to tap into the experience and expertise of not only Jobcentre Plus, but also of the public, private and third sectors. At the heart of our new approach will be action to identify the barriers to sustainable employment, self-employment and progression. A flexible, personalised and more responsive service which is more tailored to individual employment and skills needs will help us achieve this.

Overwhelmingly, people who responded to our Green Paper consultation agreed with our proposals for greater flexibility and more personalised support for all people seeking work as a condition of receiving benefit. We welcome that broad consensus over the way forward, whilst recognising that opinions differed over how and when that support should be made available.

We intend to introduce the flexible New Deal progressively from 2009. The flexible New Deal will modernise and streamline the existing New Deals to ensure that support is flexible and personalised. The flexible New Deal will combine the current mandatory New Deals: New Deal 25 Plus and New Deal for Young People. The New Deal for Musicians and New Deal 50 plus will also be subsumed within it.

Other, voluntary programmes, such as the New Deal for Lone Parents, will continue to be available to appropriate customers. For people claiming Pension Credit, but who want help back into work, the support provided through flexible New Deal will equally be open to them but on a wholly voluntary basis. New Deal for Partners is to be strengthened from April 2008 by increasing the number of Work Focused Interviews for partners of Jobseeker's Allowance claimants with dependent children. For long-term unemployed people there will continue to be specialist support to help individuals start working for themselves as self-employment can be the best option for some people<sup>28</sup>.

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<sup>28</sup> Work Foundation (2006) for BBC Radio 4 on *Life After MG Rover*.

## Action at the beginning of the claim

### What you said about people being provided with more support in exchange for meeting their obligations

*“We broadly support increasing conditionality through targeted engagement, including the use of Work Focused Interviews and good quality, flexible pre-employment support. Any increase in conditionality needs to be matched by a commitment to assist clients to tackle their complex constraints.”*

Work Directions

*“The Mayor welcomes the principle of a shift away from the rigid distinctions of the New Deal programmes towards a new, flexible and personalised approach.”*

Greater London Authority

*“I am in full support of the reform, particularly the more flexible approach to New Deal. I feel being given supportive help from an earlier stage will be very beneficial to the customers. I also feel the mandatory element will help, as there is an element of customers that are not responsive to supportive help.”*

New Deal personal adviser

Many claims for Jobseeker’s Allowance are by people who leave the benefit quickly – around six out of 10 jobseekers leave during the first 13 weeks. We are making two important improvements to the early stages of a claim for Jobseeker’s Allowance to increase the level of help available. Firstly, at the new claim interview, the adviser will undertake a skills screen to identify any potential **basic literacy, numeracy and language skills needs** and, on the basis of the result, will encourage the customer to undertake a Skills Health Check through the new adult advancement and careers service. **We will aim for this to be rolled out by 2010-11, with trials to begin next year.** Secondly, we are adding a mandatory **back to work** group session at around week six to reinforce the importance of work and encourage access to the help on offer through Jobcentre Plus. We will be piloting the **back to work** group sessions in the New Year.

### What you said about whether this approach of increased obligations and increased support should apply to all customers

*“Those who are furthest from the labour market will need the most support and training... Some people may be greatly assisted by accessing specific types of support more quickly. It will be important that personal advisers take all aspects of their client’s situation into account.”*

Working Families

*“Sanctions can be a useful tool but if they are not used with great care they can result in the excluded becoming even more excluded.”*

St. Mungo’s



The basic principle of Jobseeker's Allowance is 'something for something'. In return for benefit payments and extra support in finding work, customers are expected to do their best to get and keep a job. That is the basic contract between society as a whole and the individual. And in return for the additional support we are introducing, we will also seek to increase our expectations as the claim continues. Of course, to make that principle work in practice benefit sanctions are sometimes required; individuals who deliberately choose not to actively seek work, to leave a job without good cause or to refuse a suitable job must lose some or all of their benefit. Otherwise, the contract is meaningless.

Sanctions will only be imposed when the individual breaks the contract without showing good cause. We have no desire to apply sanctions in a way that pushes children into poverty, but all claimants including parents have obligations to abide by the rules.

## Three months into a claim for Jobseeker's Allowance

In future, jobseekers whose own efforts have not succeeded after three months will be required to widen the scope of jobs they look for, to include any suitable job, and we will introduce greater direction of jobsearch by Jobcentre Plus staff. Everyone will be submitted to a suitable job. Weekly rather than fortnightly attendance at Jobcentre Plus will also be required for the next six weeks. Around a fifth of customers with particularly poor employment histories or other difficulties will have interviews with a personal adviser to provide additional help and encouragement.

## Six months into a claim for Jobseeker's Allowance

### **What you said about a structured, progressive regime of support and obligations**

*"Each person is an individual, and will have a different set of needs and aspirations; these proposals must recognise that one size does not fit all."*

Off the Streets and into Work

*"Setting goals may have very positive consequences, however, and it would be unrealistic to expect claimants to proceed through and out of the system without some analysis of progress."*

Turning Point

After six months, around eight out of every 10 customers will have left Jobseeker's Allowance and after a year the figure reaches about nine in 10. Jobcentre Plus will use its reward and recognition arrangements to help staff build on these outcomes.

To support Jobcentre Plus to deliver back to work support, we will increase the flexibility in the system to enable a more personalised service for those who have been on benefit for longer. After six months, all customers will enter a single **Gateway** lasting for up to six months; this proposal was particularly welcomed in the consultation. For those aged over 25, this brings forward more intensive help by a year. For most people this will be after six months on benefit, but some people will be **fast-tracked** from the start of their claim.

The most powerful aspect of the Gateway is regular contact with a personal adviser. The initial interview with the adviser will determine the customer's action plan. The action plan must be stretching and will cover activity over and above that of the Jobseeker's Agreement, which will remain. In addition to some common basics – for example, updating CVs – the adviser will assess the customer's needs and identify specific activity that they must do to improve employability and find work. The adviser and customer will agree the activity and the timetable for achieving it. The customer will be seen by their adviser every four weeks to check on progress, with regular Job Reviews as now.

As part of the first Gateway interview, all customers identified with potential basic skills and employability needs that have not been addressed since the start of the claim will be referred to, and in some cases directed to attend, a Skills Health Check at the new adult advancement and careers service. The adviser will use the results to determine the customer's required activity, which may include training. Jobseeker's Allowance customers, at appropriate points in their claim, should be expected to engage with the adult advancement and careers service if they have skills needs stopping them from finding employment and we will enforce this where appropriate. All of this would be set out in the action plan and we will aim for this element to be fully rolled out by 2010-11.

To support customers in fulfilling the action plan requirements, Jobcentre Plus advisers will have **access to a £10 million discretionary fund** to provide extra and flexible help at this stage.

For those with basic skills needs we intend to pilot mandating attendance at relevant training at this stage, where advisers think this is appropriate.

Some customers will be identified at six months as needing employment related training in order to return to work. To meet this need, they will be able to participate in short periods of full-time training, up to eight weeks in length, focused on getting them back to work and on meeting employers' needs. Vacancies identified through Local Employment Partnerships will be supported by this measure, where appropriate. Customers will move off Jobseeker's Allowance and onto a training allowance for the duration of the training.

In addition to the existing sanctions for failure to look for or take suitable work, there will be a two-week benefit sanction for failure to comply with Gateway activity agreed between the customer and the adviser.

### **A customer's journey through the flexible New Deal**

Jason lost his previous job as an assistant store man in February 2010 when the stock control was computerised. He was 36 years old and had worked at the same factory in the same job since leaving school at 16 with no formal qualifications. He had no idea how to find another job and was anxious about what he could do in future.

He claimed Jobseeker's Allowance in March 2010. At his new jobseeker's interview at Jobcentre Plus the personal adviser realised, through the routine basic skills screening that she undertook with all new customers, that Jason had a literacy problem. The adviser referred Jason to the local adult advancement and careers service for a Skills Health Check and advice. But Jason didn't follow that up because he hoped he could find quickly the work he knew. It wasn't that easy. The Back to Work group session he attended after six weeks with other jobseekers who had been out of work for the same length of time made him realise what he was up against.

After three months Jason's personal adviser reminded him about help with his reading and his jobsearch was widened to include all suitable work. He investigated a reading course at a local college but didn't have the confidence to follow it through.

In September, Jason was still unemployed and so entered the Gateway. His adviser again identified his reading difficulties and again referred him for a Skills Health Check, making it clear that this time if he didn't go his benefit could be affected. Jason realised he needed help to beat his reading problem. He took up a recommended reading course and this time, supported by his adviser, he persevered.

Although actively tackling his reading problem, Jason still needed his personal adviser's support with jobsearch. He completed his basic reading course while looking for work. With his adviser's help he applied for several jobs, but gradually lost confidence because he felt he couldn't persuade employers that he had the experience or skills that they were looking for.

In March 2011 Jason was referred to a flexible New Deal provider. He told the flexible New Deal adviser that he had lost confidence in his ability to find work. They discussed the skills Jason had and how they might be developed, with appropriate training, to help Jason do work that he might not have thought of before. They discussed several options. He was attracted to baking and working in a small local business. He needed some qualifications in food hygiene and some experience of shop work. The provider persuaded him that he was capable of doing the training and arranged for a four-week trial in a small baker's shop. Jason liked it and they liked him. He did a Level 2 Bakery course at a local college and was taken on by the same small bakery, baking and taking orders from other shops and caterers.

His provider stayed in contact with Jason and the employer throughout the first few months to ensure that Jason remained confident in his skills to do the work and to offer additional support where it might be needed.

## Early entry to the Gateway

We must do more to support people who return repeatedly to long-term unemployment. To improve all customers' chances of finding sustained work as quickly as possible, we will **fast-track** the most disadvantaged to the more intensive Gateway from day one of their claim. Fast-tracking to the Gateway and, where appropriate, a Skills Health Check, will provide these customers with an earlier opportunity to improve their employability and tackle skills challenges that will help more of them get and sustain work.

A strong indicator of labour market disadvantage is someone's Jobseeker's Allowance history. We have decided that jobseekers with the longest durations on benefit will be selected for this additional early support. The fast-track will take customers to the Gateway with Jobcentre Plus rather than to flexible New Deal with a contracted provider because, even amongst customers with long histories on Jobseeker's Allowance, many will leave benefit relatively quickly. For younger jobseekers, who have a shorter benefit history to go by, we will fast-track those who have spent a significant part of that time on Jobseeker's Allowance or have not been in education, training or employment for a period prior to claiming Jobseeker's Allowance.

We will continue to allow people in vulnerable groups the opportunity to volunteer to enter the Gateway early, subject to capacity.

### **What you said about whether some people enter the Gateway stage more quickly**

*"It will be absolutely essential for some customers to enter the Gateway stage more quickly, and for the most severely disadvantaged with complex and multiple support needs a direct route to the flexible New Deal must be made available."*

Employment Related Services Association

*"If a young person is to be fast tracked this needs to be very early on in the process so that time is not lost and the young person does not become demotivated and disengaged with the New Deal process."*

Fairbridge

*"People whose history shows a pattern of intermittent employment for no good reason should be fast tracked."*

Individual

## Twelve months into a claim

At the end of the intensive Gateway with Jobcentre Plus, jobseekers who remain on benefit will be referred to an external provider for further, specialist help. Customers will remain in contact with Jobcentre Plus throughout this stage.

We will work with providers on the detail of the contracts and to establish best practice. But we will expect them to engage with all their flexible New Deal customers and see their customers on a regular basis; we do not want to write-off anyone, or allow providers to not support our hardest to help customers. As a minimum there would be an initial in-depth assessment of the customer's employment-related needs and circumstances and an action plan agreed with the customer, which includes personalised and stretching activity to get back to work.

As with the existing New Deals, participation with an external provider and compliance with the accompanying action plan will be mandatory. Failure to undertake any back to work activity arranged by the service provider would mean a referral to Jobcentre Plus to consider benefit sanctions.

### **What you said about requiring people to complete work experience after receiving intensive help from a specialist provider**

*"When recruiting, employers do not value a CV in which the most recent employment entry is a job into which the candidate had to be conscripted, so the experience does very little to enhance the unemployed person's employability."*  
Trades Union Congress

*"...a good idea as long as it fitted with the person's aspirations and was likely to lead to work."*  
Equal in Glasgow

*"Our experience has shown that work-tasters can be an extremely effective route into full-time work."*  
Working Links

We have listened to views about the relative merits of requiring customers to undertake a period of full-time, mandatory work experience at the end of their engagement with a provider – which was proposed in the Green Paper. We believe that full-time activity could be beneficial to individuals who have little or no experience of work. It will also give providers another valuable tool they can use to support harder-to-help customers in preparing for work.

However, it is important to promote suitable activity which responds to an individual's needs at the most relevant point for that person and we see it as a positive aspect of the flexible menu of support providers can offer jobseekers. Therefore, we now propose that rather than waiting to deploy this strategy at the end of the 12 month period, instead we want this to be part of the plan at the most appropriate stage in this period. We would expect that no customer who completes 12 months with a provider without moving into work, could do so without having undertaken four weeks of full-time activity. We will work with providers on the best way of including this in contracts.

People who move across to an external provider will remain on Jobseeker's Allowance. They will continue to attend a Jobcentre Plus office on a fortnightly basis unless they undertake a period of training or other activity outside the Jobseeker's Allowance rules, when they will receive a training allowance. It will be Jobcentre Plus' continuing responsibility to oversee the jobseeker's journey through the flexible New Deal and the payment of the allowance appropriate to the work-related activity.

We are determined to break the cycle of repeated returns to long-term unemployment. Those who fail to get work at the end of the contracted period will return to Jobcentre Plus who will build on the progress that has been made. We are looking further at what expectations we should have of those who remain unemployed at the end of the period with providers. Intensive, personalised and tailored support will be matched by increased obligations.

The flexible New Deal will be the first procurement to be based on our commissioning strategy, which is being finalised following the publication of emerging findings on 27 November 2007. This will set out the framework for commissioning provision, the way we work with providers, and how we will manage performance.

We are committed to giving specialist providers in the public, private and third sectors a chance to deliver services. We want to buy support that works, is outcome focused and is based on longer and larger contracts which deliver value for money.

## Milestones

<b>Spring 2008</b>	Flexible New Deal procurement activity begins.
<b>Early spring 2009</b>	Contracts awarded and contract start-up activity.
<b>April 2009</b>	Changes by Jobcentre Plus to implement new Jobseeker's Allowance regime.
<b>October 2009</b>	First customers referred to contracted flexible New Deal.





## Chapter 4

# Sustainable employment for disabled people and people with health conditions



We are aiming to reduce the number of people on incapacity benefits by one million from 2005 levels.

In return for support and security on benefits, it is right that people take up the opportunities we offer.

Pathways to Work has helped more than 69,000 people into work so far; from April 2008 Pathways to Work will be available to everybody in Great Britain.

Employment and Support Allowance will replace Incapacity Benefit for new customers, including the robust new Work Capability Assessment, focusing on what people can do, not what they can't.

In the future we will apply Pathways to Work and the Work Capability Assessment on a mandatory basis for new incapacity claimants and will begin extending them to existing claimants, starting with those under 25.

We will transform the support available to help disabled people and people with health conditions remain in work, reducing the chances of long-term benefit dependence.

## Chapter 4 – Sustainable employment for disabled people and people with health conditions

Health and work are fundamentally linked. Health conditions and disabilities can create problems for people obtaining and retaining work, yet people with these conditions often want to and can flourish in work. We also know that work is generally good for health and can have a positive effect.

Since 1997 there has been a revolution in our offer to disabled people and people with health conditions. We have moved from a system that abandons people to a life on benefits to one which helps people realise their aspirations. We have overhauled the failing system which told people they were incapable of work and invested heavily in programmes that help people move into work.

*“I felt, but who would want me to work for them? Going through the doors into the Jobcentre was a big step. It’s good because I’ve got something to get up for. I’m bubbly again, back to the way I was many years ago.”*

An individual with severe depression, now working as a sales assistant

The success of our programmes is demonstrated by sustained falls in the number of people on incapacity benefits, after consistently large increases over the last two decades. The caseload more than trebled between 1979 and 1997, but we have now turned the corner and the numbers on benefit have fallen year on year for the last 13 consecutive quarters to stand at the lowest they have been for eight years. However, in order to support the aspiration of an 80 per cent employment rate we intend to go much further and reduce the numbers of people on incapacity benefits by a million from their 2005 levels.

In January 2006 we set out our plan for the next stages of reform. To meet our and our customers’ aspirations we recognised the need to introduce a new benefit which removed perverse incentives to not move into work, offer substantially more back to work support to those on incapacity benefits, and to do more to help people develop the skills they need to retain their jobs and not move onto benefits.

**What we are doing:**

- From April 2008 everyone on incapacity benefits in Great Britain will have access to the Pathways to Work Programme.
- From April 2008 the Return to Work Credit of £40 per week tax free for a year will be available to everyone eligible who moves into work of more than 16 hours per week and earns less than £15,000 per year.
- From October 2008 incapacity benefits will be replaced for new customers by Employment and Support Allowance with a revised medical assessment and an additional payment to our most severely disabled customers.
- Employment and Support Allowance customers will be screened to identify skills needs.
- A consultation has been launched with proposals designed to improve the effectiveness of some of the specialist support the Department for Work and Pensions provides to help disabled people enter and/or retain employment.
- A range of initiatives are being taken forward across Government to support healthcare professionals and employers in helping to keep people in work. This has included the piloting of an education programme for GPs on health and work; development of a training module to help GPs handle fitness for work discussions; and a training module for nurses on their role in supporting people to remain in and return to work.
- An independent review of the health of our workforce is being carried out, which will help steer future activity to reduce the number of people falling out of work.

## Supporting people back into work – Pathways to Work

In 2003 we recognised that to help more people into work we needed to move beyond an approach that expected almost nothing of customers receiving financial support through incapacity benefits. Our subsequent approach was based on the principle that, in return for our offer of financial and employment support, customers should have a responsibility to engage with us. However, this would not be at the expense of programmes that offered further support on a voluntary basis such as the New Deal for Disabled People. The result was the first Pathways to Work pilot.

Independent research has shown that Pathways works, helping people into sustained jobs: new customers in Pathways areas are over seven percentage points more likely to have a job after 18 months than people in non-Pathways areas.

*“I got to the stage that I couldn’t leave the house. I didn’t want to live. Now the alarm clock goes off and I’m like, yes – I’m, going to work. It’s a good feeling.”*

Individual who had stress and depression, now working as a domestic cleaner

In light of this success with new customers, we have moved to invest in more areas. From April, Pathways to Work support, including the Return to Work Credit, will be available to everyone in Great Britain on incapacity benefits. This will be mandatory, initially, for new customers, and from 2009 we will extend this mandatory engagement to existing customers under the age of 25. However, all customers will have access to Pathways to Work on a voluntary basis.

Pathways to Work for new customers is built on the foundation of Work Focused Interviews where new Incapacity Benefit customers meet with dedicated personal advisers to discuss their work ambitions, their barriers to work, and the support that is on offer. Personal advisers offer customers access to a wide range of support including the groundbreaking voluntary condition management programmes which enable people to understand and manage their health conditions or disabilities.

The tax free Return to Work Credit of £40 per week for up to 52 weeks provides added security for those making the move into work.

### **An example of someone with a health condition returning to work**

Jim, 50, works for himself as a builder. He develops back and leg pain that means he begins to really struggle with his day-to-day activities, and eventually he can no longer work. His GP agrees that Jim is unable to do his normal work, but encourages him to try to remain as active as possible to help his condition.

Jim contacts Jobcentre Plus and makes a claim for Employment and Support Allowance.

Jim is awarded Employment and Support Allowance at the assessment phase rate.

He attends his first Work Focused Interview, where he meets his personal adviser and gains further understanding of the support available to him. The Work Focused Interview focuses on exploring Jim’s work history, skills and experience, and initiating an action plan for how he can help prepare himself to return to work.

Soon after, Jim completes a face-to-face Work Capability Assessment. Jim’s work focused health-related assessment indicates that, although manual labour as a builder is not currently a feasible work option for him, he can undertake office work.

At the next Work Focused Interview, Jim and his personal adviser discuss support he may wish to take up, focusing on condition management and the development of new skills. Jim and his adviser agree an action plan reflecting their discussion. After taking part in an administrative skills course, Jim is successful in finding a job in the office of a large builders merchants. Access to Work funding is secured to make reasonable adjustments for Jim – including purchasing a specialist chair to support his back – and during the first year of working he receives a £40 weekly Return to Work Credit to supplement his earnings in the new job.

Pathways will be extended across Britain. In 40 per cent of the country Jobcentre Plus is already delivering Pathways to Work, and we are working with private and third sector providers to deliver Pathways to Work in the remaining 60 per cent of the country. Building on the approach taken in the successful New Deal for Disabled People, we will be rewarding our contractors based on their success in moving people into work, with an element of the payment linked to sustaining employment to the six-month point. We believe this approach, combined with flexibilities allowed by the contracts, will develop new and innovative forms of support for our customers.

We will carefully monitor the performance of Pathways to Work in all areas throughout the duration of the contracts, rewarding success and spreading best practice where appropriate. We will be looking at the development of the flexible New Deal in developing our approach for Pathways to Work in the future, and will integrate skills screening and referral to a Skills Health Check for those who need one into the programme. Our future approach to contracting, both for Pathways and other programmes, will be shaped by careful evaluation of this wave of contracts.

We have piloted an intervention of three Pathways to Work mandatory Work Focused Interviews with existing customers and in the future we will look to apply this more active approach to existing incapacity benefits claimants as well as new ones. In particular we believe at this stage it is vital to engage early in claimants' lives so we can make a real difference to their future. Therefore, we will be introducing mandatory Pathways interviews and the new Work Capability Assessment for **existing customers who are under 25, starting in 2009**.

We are also going further to ensure skills needs are integrated into the benefits system. Employment and Support Allowance claimants will be subject to a skills screen early in the claim. However, we recognise that, for many people, overcoming health-related barriers is vital and our approach to these customers will reflect that.

## A new benefit – Employment and Support Allowance

To underpin our new approach for our customers, from October 2008 we are introducing the new Employment and Support Allowance. This will replace incapacity benefits for new customers with an integrated contributory and income-related allowance. It will simplify the system of claiming benefit for claimants whilst embedding the principles we have established in Pathways to Work.

Full entitlement to the benefit will be dependent on attending Work Focused Interviews for all customers except the most severely sick and disabled. In the future, in line with available evidence and as resources allow, we will also require customers to undertake some work-related activity. Where a claimant fails to engage without good cause, their benefit will be reduced by an amount up to the level of the work-related activity

component of the benefit. This embeds the principles of Pathways at the heart of the new benefit so that it is clear to claimants that engagement from them is required in return for the financial and back-to-work support we are offering. This activity could include addressing skills needs as a step towards returning to work.

We will screen all new Employment and Support Allowance customers soon after the start of the claim. Where appropriate we may direct a customer to attend a mandatory Skills Health Check at some point later in their claim, to help them acquire the skills they need to move them closer to the labour market and help them back to work. Once in work, we will encourage the individual to further develop their skills and potential, for example through accessing Train to Gain provision. Providing the right support at the right time is crucial in helping those previously labelled as incapable of work to achieve their potential and reach their personal job and career goals.

We recognise that skills needs have to be addressed in a way that complements measures taken to overcome health problems which, in many cases, may be a critical barrier preventing a customer from returning to work.

For people who are the most severely sick and disabled we will provide an additional payment recognising that they face greater barriers to work. We will not require them to engage with Work Focused Interviews or activity although, of course, they will be able to volunteer.

In addition, we will be taking people's parenting responsibilities into consideration so that disabled parents are supported into work that fits with their family priorities. In 2005-06 the risk of a child living in poverty was 42 per cent (after housing costs) when they lived with a disabled adult.

Fundamental to the integrity of the benefit is the introduction of the new **Work Capability Assessment** to assess people's eligibility for the benefit. We worked with independent experts and stakeholders to update the current Personal Capability Assessment, to make it a more accurate, robust and fair test of limited capability for work. The new assessment focuses on activities relevant to today's workplace: some activities in the current test have been removed as they are no longer relevant (for example an inability to walk more than 400 metres) while others have been added (for example the ability to use a computer keyboard or mouse). The test of mental function has been revised to make it fairer and to assess conditions such as learning disabilities as well as mental illness.

An integral part of the new Work Capability Assessment is the new work focused health-related assessment which will look at a person's aspirations for returning to work, their capability, and how any health-related barriers to work could be addressed.

The new Employment and Support Allowance reflects our vision of what the benefits system should do for claimants. It will provide financial support to some of the most vulnerable people in our society whilst ensuring the system retains the support of the public by applying a fair but rigorous test of eligibility.



## Helping people achieve their full potential – improving specialist disability employment services

Whilst Pathways to Work and the New Deals are able to offer support to a wide range of customers, we recognise that some of our customers require more intensive specialist disability employment support. For this reason we are committed to retaining a wide range of specialist disability employment provision designed to help people with higher support needs gain or retain employment. These programmes can make a vital difference to our customers both in order to support some into work, and also to help them to not fall out of work and onto benefits in the first place.

We know that these specialist services, such as Work Preparation, WORKSTEP, Access to Work and Disability Employment Advisers help transform the lives of many thousands of disabled people every day – people who would otherwise struggle to get a job or could be at risk of losing one they already have. However, we also know from talking to disabled people and their representatives, from independent research and from analysis by the National Audit Office, that there is scope to improve the service currently offered.

On 3 December 2007 we launched a consultation on our proposals to make our specialist provision:

- more flexible – to better meet the needs of individual disabled people and their employers;
- more joined up and cohesive – to produce better transitions into work;
- better focused on helping people achieve their potential – to help more individuals reach a point where they can maintain their employment independently, and for those that require long-term support to develop their skills on the programme; and
- more consistent, by introducing service-wide quality standards that support all customers to achieve their full employment potential regardless of the area in which they live.

We continue to welcome views from stakeholders on improving specialist disability employment services.<sup>29</sup>

Through such changes we want to be able to achieve better value for money to enable us to help more people more effectively.

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<sup>29</sup> *Helping people achieve their full potential: improving specialist disability employment services* (December 2007) <http://www.dwp.gov.uk/resourcecentre/des-consultation.asp>



## Remploy

Additionally, on 29 November 2007 we announced a plan to modernise Remploy. The plan includes 15 fewer factory closures than originally proposed by Remploy on 22 May 2007 and the continuation of 55 Remploy factories (providing additional work can be obtained). The company will also quadruple the number of disabled people they support into mainstream work, through their Employment Services Business. They will be placing 20,000 disabled people into work by year five of their modernisation plan.

## Changing the culture – helping people to remain in work

Annual inflows to incapacity benefits have been falling for the last 10 years: from around one million in 1997 to around 600,000 currently. However, we must further reduce the number of people falling out of work onto benefits.

This will require a change of culture across society: by healthcare professionals and the providers of health services, by employers, line managers, and by individuals themselves. The 2006 Green Paper and the 2005 Health, Work and Well-being Strategy set out the first phase of our work across government, including the devolved administrations in Scotland and Wales, to bring about this change. Helping to lead this work is Professor Dame Carol Black, the Government's first ever National Director for Health and Work. Dame Carol is currently carrying out a comprehensive review of the health of the working age population. This review, which will report to Ministers early in the New Year, will identify those areas that need more attention, make recommendations to the Government and help steer our strategy over the coming years.

Healthcare professionals, and in particular GPs, can play a key role in supporting their patients to remain in or return to work. Yet most healthcare professionals currently receive little training on these issues. As such, we have been taking forward a range of initiatives, in partnership with professional medical bodies, to advise and support healthcare professionals. For example, we have:

- piloted an education programme giving GPs simple messages about health and work issues;
- produced an online learning tool on handling difficult consultations with patients about return to work; and
- developed an online learning module for nurses on health and work and their role in supporting people to remain in or return to work.

This programme builds on groundbreaking independent research, commissioned by the Department and published in September 2006, showing for the first time that work is good for health and well-being<sup>30</sup>.

<sup>30</sup> Waddell and Burton, 2006. *Is work good for your health and well-being?*

Alongside this work we are currently reviewing the statutory medical certificate (the 'sicknote') to ensure that it:

- is simple for GPs to complete;
- assists GPs in giving advice to their patients; and
- provides more helpful information for employers.

We have also been testing the impact of placing Jobcentre Plus advisers in GP surgeries, through our Pathways Advisory Service pilots. We have committed to expanding these pilots, trebling their capacity, to ensure that we learn as much as possible about the impact of this innovative joint working.

Employers are critical to this agenda too. We need employers who are prepared to employ disabled people and people with health conditions, who protect and promote their employees' health and who support staff to stay in work when they are having health problems. However, we also need to be committed to helping them to do so. The recently concluded review of the Statutory Sick Pay scheme showed that, rather than wanting radical reform, employers would like more help from Government in managing attendance more effectively and facilitating vocational rehabilitation.

Our next phase of work will focus heavily on ways of providing more practical advice and support to employers, especially for smaller businesses. For example, we have set up a new task group to identify the most effective types of vocational rehabilitation support and the barriers that currently stop employers from providing such services. We are also going to pilot a new advice service for employers to help them manage and support people with mental health conditions to remain in or return to work.

Mental health and employment has emerged as a key challenge for Government – with mental health conditions the single biggest cause of people taking sick leave or claiming incapacity benefits. Significant steps have been taken in the past year – for example:

- the recent announcement by the Department of Health of the significant expansion of their Improving Access to Psychological Therapies programme; and
- Shift's *Action on Stigma* Campaign, which has developed resources to help line managers deal with employees with mental health conditions.

However, we want to go further still and have announced our intention to develop a National Strategy on Mental Health and Work, to ensure that there is a coordinated response across Government to the challenges faced by people of working age with mental health problems, improving their employment chances.

## Milestones

- Early 2008** Publication of the review of the health of Britain's working age population led by the National Director for Health and Work, Dame Carol Black.
- April 2008** Pathways to Work available across Great Britain to anyone on incapacity benefits, including the Return to Work Credit of £40 per week tax free for a year – available to everyone eligible who moves into work.
- October 2008** Introduction of Employment and Support Allowance.
- 2009** Introduction of mandatory Pathways to Work interviews and the new Work Capability Assessment for existing Incapacity Benefit customers who are under 25.



## Chapter 5

# Sustainable employment for other disadvantaged people



We will strengthen the link between housing and employment support, and continue to raise awareness of in work Housing and Council Tax Benefits.

By raising the participation age to 18 and increasing the flexibility of provision we will reduce the number of 16-18 year olds not in education, work or training.

We will tailor our support for ethnic minorities to help them connect with the labour market and will work with employers to create more diversity in the workplace.

One million older workers will be encouraged to remain in or return to work through improved training opportunities and employer intervention.

We will continue to work across Government departments to support people with chaotic lifestyles.

## Chapter 5 – Sustainable employment for other disadvantaged people

### People living in social housing

Whilst Britain has one of the highest employment rates in the major industrialised world, more than half of the people in social housing are out of work. People with the greatest challenges to entering work are over represented in the social sector and face higher rates of worklessness, particularly inactivity, than those who live in other sorts of housing. People who live in social housing are also much more likely to suffer from combinations of factors which make it harder to move into work.

Around 18 per cent (700,000) of all carers are in social housing, particularly those caring for more than 20 hours per week. Employment rates for this group are particularly low, standing at 29 per cent. People with mental and behavioural disorders are over represented (forming 21 per cent of those with a disability in social housing compared to 13 per cent in other tenures) and have extremely low employment rates (13 per cent). More than 20 per cent of social tenants are lone parents, of whom almost a third have no qualifications.<sup>31</sup>

As well as high rates of worklessness, there are high rates of poverty in social housing. Around 49 per cent of children in local authority housing and 40 per cent of children in housing association accommodation are poor. This compares to 23 per cent of children living in privately rented housing, and 22 per cent of children nationally.

In summer 2006, Communities and Local Government commissioned Professor John Hills to carry out an independent assessment of the role of social housing in the 21st century. He was asked to look at the extent to which social housing contributes to other Government objectives, for example supporting people into work. The report was published in February 2007 and the Department for Work and Pensions and Communities and Local Government are now developing policies to help people in social housing into employment.

These policies will strengthen the link between housing and employment support, particularly at the point of entry into social housing. Jobcentre Plus will play a key role in enhancing links with housing organisations, including exploring ways of providing access to employment information in housing offices and improving referral processes between housing and Jobcentre Plus services. We intend that pilots to test these approaches will begin in 2008.

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<sup>31</sup> Figures relate to working age population, sources are the Labour Force Survey and Family Resources Survey.



Additionally, as housing associations are already engaged in giving their tenants employment advice and support, we would welcome bids from them in providing welfare to work programmes

We are also continuing with our work to raise awareness and understanding of in work Housing and Council Tax Benefits. Evidence shows<sup>32</sup> that there is a general lack of awareness and understanding of these benefits and that if some customers had been aware that these benefits could be claimed in work then this would have made them more likely to move into work. We are taking forward policies to address this, including additional training material for Jobcentre Plus staff – so that they are aware of what an impact in work Housing and Council Tax Benefits can have – the development of an online Better-off Calculator and a broader communications strategy.

## Young people not in work, training or education

The Government has attached a high priority to promoting young people's engagement with learning and training before they enter the world of work on a full-time basis. Having the skills they need to succeed in a changing labour market is increasingly important for young people. We have proposed that the minimum age young people can leave education or training in England be raised to 18.

Since 1997, there has been an increase in the number of young people staying on in education – 38 per cent of all 16 to 24 year olds, up from 33 per cent. For 16 and 17 year olds, three-quarters are now in education, up from just over two-thirds ten years ago.

On employment, the New Deal has helped 745,000 people into work and reduced 18 to 24 claimant unemployment. For 18 to 24 year olds not in education, unemployment has fallen from 13.2 per cent to 11.9 per cent.

Any young person not in education, who is not working or claiming benefits and needs help with the choices they face, can contact Connexions or careers services or Jobcentre Plus. The Government has also introduced the Education Maintenance Allowance to provide financial support for those young people for whom a lack of money is a barrier to staying in learning.

The September Guarantee was implemented in all local authorities in England in 2007. This is a commitment that all young people should be made an offer of learning by the end of September after they complete year 11. The Guarantee brings the Learning and Skills Council and local authorities together to focus on the young person making a successful transition into post-16 learning.

<sup>32</sup> Caroline Turley and Andrew Thomas. *Housing Benefit and Council Tax Benefit as in work benefits; claimants' and advisers' knowledge, attitudes and experiences*. DWP Research Report No 383: <http://www.dwp.gov.uk/asd/asd5/rrs2006.asp#hbctbinwork>

While many more under 18s are staying in education, we need to do all we can to encourage those who leave school to re-engage with learning or move into work with training. We are exploring what more can be done for 16 and 17 year olds, including through piloting Activity Agreements to help them to re-engage and take up their right to an appropriate place in education or training or find a job with training.

The Department for Work and Pensions and the Department for Children, Schools and Families, together with Jobcentre Plus, local authorities and Connexions, are committed to work in partnership at a local level to improve engagement with young people and provide them with advice and support to develop the skills they need to enter and to thrive in education, training or work with training.

Where young people wish to move into employment with training, we will seek to improve on current joint working between Jobcentre Plus, Connexions and local authorities to improve the service offered to them in seeking their first steps in the labour market and preparing themselves for the world of work.

In building our records of young people and their needs, the Department for Children, Schools and Families and the Department for Work and Pensions will look to improve data sharing to ensure a joined-up service in helping young people in their search for employment or apprenticeships (where appropriate) and in their transition to benefits at the age of 18 where necessary.

The Government has proposed to strengthen the strategy on 16 to 18 year olds who are not in work, education or training by:

**Further strengthening the tracking system**, by requiring all learning providers to notify Connexions as soon as any young person drops out.

**Increasing the flexibility of provision**, so that if any young person drops out of education or training it will be easier for them to access an alternative place in learning quickly.

**Extending Education Maintenance Allowance**, so that young people on a wider range of courses can receive support; and so that all young people on Entry to Employment courses (which are particularly important for those at risk of not being in work, education or training) receive Education Maintenance Allowance.

**Extending Activity Agreement pilots**, so that they examine the effectiveness of engaging young people in an activity agreement as soon as they drop out of learning, rather than after an extended period of not being in work, education or training.

**Extending the September Guarantee**, so that 17 as well as 16 year olds have the offer of a place to continue or re-engage in learning.

**Extending early entry to the New Deal** for 18 year olds with a previous history of not being in work, education or training on a voluntary basis from April 2008, and a mandatory early entry to the flexible New Deal for 18 year olds who have not been in work, education or training for six months from April 2009.

## People from ethnic minorities

British society is becoming far more diverse. For reasons of both economic efficiency and social justice, we need to maximise the benefits of a diverse workforce. As several respondents to our consultation acknowledged, this means two things: helping employers to overcome misconceptions that prevent their organisations recruiting ethnic minorities; and ensuring that Government develops more flexible ways of reaching and supporting individuals into work.

### Overcoming misconceptions

Too often, common misconceptions about what jobs different groups can do prevent employers from utilising the skills and energies of ethnic minorities. A recent MORI survey for the Department for Work and Pensions and the Equal Opportunities Commission found a widespread view that Muslim families discouraged women from working – for example, almost four in ten people thought Pakistani and Bangladeshi women faced cultural barriers like this that prevented them working.<sup>33</sup> In reality, research shows these women, particularly younger cohorts, do want to work and 90 per cent of 16 year old Pakistani and Bangladeshi girls believed their parents supported them to combine work and having a family<sup>34</sup>. These misconceptions and assumptions can hold women back in the labour market.

*“Many people are ignorant of such cultures [Pakistani and Bangladeshi women] and have a limited understanding of them and that the DWP needs to educate people a lot more in regard to such cultures and how to deal with them more effectively and with greater understanding.”*

Jobcentre Plus adviser, Bridgend

<sup>33</sup> *Closing the Gaps*, IpsosMORI Survey, September 2007.

<sup>34</sup> Equal Opportunities Commission, 2007. *Moving On Up?: Ethnic Minority Women at Work*. Participants at the EOC/Ethnic Minority Employment Taskforce Closing the Gap Summit, (22 September 2007) also supported this view, although some reported pressure from their families to follow particular careers that were deemed more professional or respected.

In the 2005 Pre-Budget Report, Gordon Brown commissioned the National Employment Panel to convene a Business Commission on Race Equality in the Workplace, including leaders of major private and public sector organisations. The Business Commission looked in particular at what measures were needed to help business tackle discrimination. The Commission reported in October 2007 with a number of recommendations to close the ethnic minority employment gap, including working with public procurement to encourage contractors to develop practices that promote a more diverse workforce. We will consider carefully the views of senior business leaders on how best to support employers to tackle misconceptions and promote equality in the workplace.

Over the last 10 years, the legislative framework has been strengthened to outlaw several forms of discrimination across society, and to place a duty on public authorities to have due regard both to the need to eliminate unlawful race, disability and gender discrimination and to promote equality actively. The Government is committed to introducing an Equality Bill in this Parliament, which will both consolidate and strengthen the law. This will be an opportunity to take stock of how best to promote equality further, including in employment.

## Flexibility in response to diversity

The overall inactivity rate for ethnic minority women is 41 per cent<sup>35</sup>, which rises to 65 per cent for Pakistani, and 67 per cent for Bangladeshi, women. Many of these women want to work, but relatively few are in contact with Jobcentre Plus or other mainstream services. These high inactivity rates are paralleled by a very high incidence of child poverty, with two-thirds of Pakistani children, and three-quarters of Bangladeshi children, living in poverty<sup>36</sup>. We recognise that more needs to be done both to reach workless ethnic minorities and to tailor the support we provide to connect them better with the labour market.

For example, we are piloting Partners' Outreach for Ethnic Minorities in the six cities identified by the National Employment Panel<sup>37</sup> where the majority of ethnic minority people live. As a result of feedback to the consultation, we have decided to extend this pilot for a further year so that the lessons can be fully learnt and shared with City strategy pathfinder areas. We are linking Partners' Outreach for Ethnic Minorities with the Department for Children, Schools and Families' pilots to increase the uptake of childcare by ethnic minorities.

<sup>35</sup> All statistics from Labour Force Survey, Quarter 2, 2007 unless otherwise stated.

<sup>36</sup> Platt, L., October 2006 *Ethnicity and Child Poverty*, Paper for the Ethnic Minority Employment Task Force.

<sup>37</sup> National Employment Panel 2005. *Enterprising People: Enterprising Places*.

Language skills are critically important for those people who are seeking work. Many people, particularly from ethnic minorities, find poor language skills are a barrier to finding work. The Government is committed to ensuring that people with poor skills have those needs recognised through early screening and assessment and are able to improve their skills as part of their jobsearch preparation. We introduced funding changes to English for Speakers of Other Languages in August 2007 to target more effectively those who need most support. We will continue to review provision to ensure it is targeted and work-focused. In the London City Strategy areas we will pilot work-focused English for Speakers of Other Languages for parents, linked to other City Strategy initiatives.

We have learnt many lessons from Partners' Outreach for Ethnic Minorities and previous outreach programmes, such as our sponsorship of three Invest to Save Budget pilots<sup>38</sup>, run by voluntary and community sector partnerships, in London and Yorkshire. We know we need to tailor our approaches to local populations, taking account of local diversity – for example, working with Muslim community organisations to reach a community detached from the labour market in some areas of the country. This is best done, not in Whitehall, but by giving local people control over resources to promote employment in a way that suits the diversity of their local population. This is why we are working with City strategy pathfinders to share our experience and to support them to deliver support that complements and connects to our mainstream services, in a way that suits their areas.

Communities and Local Government and the Department for Work and Pensions announced on 30 November 2007 a new drive to promote employment in the most disadvantaged communities, where many ethnic minorities live. As part of this joint drive, Communities and Local Government and the Department for Work and Pensions will combine resources at a local level to launch a new £1.5 billion Working Neighbourhoods Fund designed to stimulate local community involvement in tackling worklessness in a way that suits the diversity of their area.

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<sup>38</sup> See [www.isb.gov.uk](http://www.isb.gov.uk)

### **Ethnic minority Invest to Save Budget in action – outreach, cultural sensitivity and continued support**

Rehan, a Pakistani man living in Bradford, had been made redundant from a local garage where he worked as a cashier. His confidence was very low after many unsuccessful job applications while trying to find employment on his own. He joined the Q4 Jobs programme run by QUD-UK, a social enterprise supporting ethnic minority employment, education and training. He chose Q4 Jobs after hearing about it on the local Asian radio station. Rehan felt comfortable dealing with an Asian voluntary organisation based in his area, and trusted in his community.

He attended:

- employability skills classes to improve his confidence;
- basic IT classes because IT is a requirement for most jobs; and
- jobsearch sessions.

His tutors at Q4 Jobs helped him to build his CV and coached him so that he could complete job application forms.

Rehan found work with a bank as a customer service clerk but had to leave almost immediately for family and health reasons. After a couple of months on Incapacity Benefit, Rehan felt able to look for work again. He returned to Q4 Jobs to use their jobsearch service that he had been told about previously. He soon found a new job working in a local post office as a counter clerk.

## Older people

The UK has an ageing population: people aged 50 to State Pension age currently form a quarter of our workforce; by 2020 this will increase to a third.

To achieve our aspiration of an 80 per cent employment rate, we recognise the need to encourage one million older workers to remain in or re-enter the workforce. This is over and above the additional older workers required to keep pace with the demographic changes and those leaving Incapacity Benefit and returning to work. This is why we are making sure that our policies and practices are open to people who choose to work, and are making sure our policies are supporting the up-skilling and retention of our ageing workforce.



We are already committed to encouraging older people to remain in employment or return to work through the alignment of employment and training opportunities with other target groups. Our policies include:

### Improving back to work help for the over 50s

- Since 2000, New Deal 50 Plus has helped over 170,000 people into work. Once the programme is subsumed into the flexible New Deal, the mandatory Gateway at six months will provide more help through jobsearch and support with skills, providing a wider range of help for the 50 plus customer group.
- We have improved back to work support for Jobseeker's Allowance claimants and their dependent partners who are over 50.

### Improving training opportunities for the over 50s

We will use the measures outlined in this paper to improve access to training. Working with the Department for Innovation, Universities and Skills, we will support older workers to gain, remain and progress in work by:

- Ensuring economically inactive older people have the basic skills, including Level 2 literacy, numeracy and work-related skills, needed to sustain and progress in employment.
- Ensuring older people are aware of the additional 10,000 Adult Apprenticeship places available per year by encouraging stronger links with the new adult advancement and careers service, Learning and Skills Council and Sector Skills Councils.

### Improving recruitment and retention opportunities for the over 50s via employer intervention

- The Age Positive initiative has provided help and information to over 1.4 million employers since 2002 and it continues to encourage employers to recruit and retain older workers, through age diversity good practice and a wider understanding of the benefits of employing and retaining a mixed age workforce. Further work continues to promote the benefits of providing flexible working and retirement opportunities for older workers.
- Age legislation came into force on 1 October 2006 and introduced a default retirement age of 65. If employers choose to have a retirement age, they have to use this, or a higher age, unless in their particular case they can objectively justify a lower age. It is our intention to review the default retirement age in 2011; a baseline survey has been published and further work is planned.

- Other supporting changes include more generous options for deferral of State Pension, introduced in April 2005, and changes to the pension rules allowing employees to draw all or part of their occupational pension whilst remaining with their employer, where pension scheme rules allow.

## People with chaotic lifestyles

Many factors contribute to chaotic lifestyles, including for example addiction, criminal behaviour, and homelessness, as well as mental illness. Many of these issues cross the boundaries of various Government departments.

For example, around 100,000 people move from prison to benefits each year. We continue to work with the Ministry of Justice and the Department for Innovation, Universities and Skills to help people make the transition from prison, assisted by Jobcentre Plus staff based in prisons. There are huge benefits to the economy and society if re-offending can be reduced.

We are jointly working in two test-bed regions to take forward reducing re-offending through skills and employment action plans launched jointly by the three departments in 2006. The first line of support is our mainstream services, but for those with entrenched problems we will be recontracting a unified and very flexible progress2work and Linkup programme, offering extra help to recovering drug addicts, ex-offenders and homeless people, whatever type of benefit they are claiming. We are jointly supporting the Social Exclusion Task Force and Communities and Local Government in 14 pilots to develop innovative ways of supporting adults with chaotic lifestyles.

## Milestones

- |                   |   |
|-------------------|---|
| <b>April 2008</b> | Extend early entry to the New Deal for 18 year olds with a previous history of not being in work, education or training on a voluntary basis. |
| <b>April 2009</b> | Extend a mandatory early entry to the flexible New Deal for 18 year olds who have not been in work, education or training for six months.     |



## Chapter 6

# Delivering sustainable employment

Jobcentre Plus and public, private and third sector providers will have more flexibility to help people back into work.

We will develop a commissioning strategy which secures specialist support from the public, private and third sectors for those who are hardest to help.

We will harness community talent to form effective partnerships in local areas with all who can help us support people to move into work and help people develop their skills.

The Department and Jobcentre Plus, together with the Department for Innovation, Universities and Skills and the Learning and Skills Council, will progressively join up processes to underpin the integration of employment and skills.

## Chapter 6 – Delivering sustainable employment

When deciding how to help people move into work we will ensure that our approach reflects our core principles. In particular, we need to embed our principles of a personalised and responsive approach, an emphasis on skills, stronger partnership working and a focus on local communities in our approach to helping people into sustainable work.

This section covers how we will deliver our employment agenda focusing on:

- A. The central role of Jobcentre Plus;
- B. Delivering employment programmes in partnership;
- C. Empowering local communities; and
- D. Working with employers – Local Employment Partnerships.

### A. The central role of Jobcentre Plus

Jobcentre Plus has been very successful in helping to raise the overall employment rate, reduce child poverty and tackle long-term unemployment. We will build on this success, placing Jobcentre Plus at the heart of the welfare to work system. Jobcentre Plus will work with individual customers, employers, providers and others to ensure that jobseekers can access the services they need from the welfare to work system and ensure customers have the skills employers need so that they can gain, sustain and progress in employment.

Jobcentre Plus has led the world in integrating benefits and employment services, ensuring customers receive their rights and meet their responsibilities. Now, in addition, Jobcentre Plus will be a gateway into the integrated employment and skills service. As well as jobsearch support, Jobcentre Plus staff will identify those with basic literacy, numeracy and language skills needs when they first claim benefit and refer them to a Skills Health Check provided by the new adult advancement and careers service. Adult advancement and careers service advisers will be co-located, where appropriate, alongside Jobcentre Plus advisers, to work with customers to build their identified employment-related training needs into an action plan.

As part of the increased flexibility in the system as a whole, Jobcentre Plus advisers will also be given greater flexibility to deliver the support that each customer needs. The best results are achieved where advisers provide a clear work focus whilst being innovative and proactive in addressing the customer's barriers to work. We will give greater discretion and flexibility to advisers and their managers to tailor interventions to meet the needs of customers and focus support where it will do most to deliver positive outcomes. This will include supporting customers in work as well as while they are out of work. Jobcentre Plus will use its reward and recognition systems to encourage staff to adopt an individualised and flexible approach to customer needs.

Jobcentre Plus will take ownership of the individual's overall experience of the welfare to work system. Its staff will help customers to navigate the system and be available throughout a claim to give support to access related services. Jobcentre Plus advisers will work alongside other public, private and third sector organisations in support of their customers, bringing in additional expertise where required to help the customer find sustainable work.

In particular, Jobcentre Plus will work increasingly closely with local authorities in delivering Housing and Council Tax Benefits to those who wish to claim them. The aim is both to improve the service offered to customers and to ensure that the complexity of the benefits system does not act as a disincentive to returning to work.

Jobcentre Plus will also play a central role in informing supply and demand decisions at a national and local level. Its people will work closely with employers and other partners, particularly local authorities and Local Strategic Partnerships, to understand local labour markets. These strong relationships with employers will enable Jobcentre Plus to deliver Work Trials and pre-employment training, refer people to the new adult advancement and careers service for help with skills, and identify flexible working opportunities for those who need them. Local Jobcentre Plus managers, working with employers through Local Employment Partnerships and other agencies, such as the Learning and Skills Council, will be able to secure suitable pre-employment provision to meet the specialised needs of their area. Jobcentre Plus will also continue to improve their approach by learning from the innovative approaches to employer engagement being developed through the City Strategy.

By understanding demand and working closely with partners such as local authorities, the Learning and Skills Council and childcare providers, Jobcentre Plus will ensure that the right provision is available to deliver sustained work outcomes for all individuals out of work.



## B. Delivering employment programmes in partnership

One of our core principles for tackling unemployment is to form strong partnerships with the public, private and third sectors to get more people into work. The Green Paper explained our aim of unlocking the best value from resources through targeting efforts and expertise appropriately to help people who face the greatest challenges in moving into work. Working in partnership will let us harness expertise, support specialised programmes and encourage innovation and sharing of good practice.

We currently have a patchwork of provision, with contracts of different sizes and structures, and variations in delivery and management requirements. This can be inefficient and less effective than we want or need. We believe that there is real value to be gained by simplifying and rationalising contracts over time and by taking a more strategic approach to the commissioning of employment programmes. This will see us move towards longer and larger contracts under which providers are paid significantly more according to the outcomes they deliver.

*“I am in favour of the jobcentre working more closely with other organisations to help the more challenging customers back into employment.”*

Jobcentre Plus adviser, Poole

The Green Paper outlined four key principles behind our future commissioning approach: quality provision; competition to drive value; outcome-based contracts with increased flexibility for providers; and minimum standards for all. On the basis of these, and the further exploration of David Freud’s proposals, the consultation went forward.

In response to the consultation we are committed to publishing a commissioning strategy in late February 2008. This will set out the type of provider we want to do business with and how that relationship will be managed going forward. **Our priorities will be to focus on what works best for jobseekers and to provide value for money for taxpayers.**

On 27 November 2007 we published the *DWP Commissioning Strategy – interim report*. This sets out our emerging thoughts and questions for further consultation on:

- market structure;
- market development and stewardship;
- provider capabilities;
- commercial strategy;
- performance management; and
- customer experience.

We continue to welcome views from stakeholders on the questions laid out in the *DWP Commissioning Strategy – interim report*. Our commissioning strategy will be published in late February 2008.

In addition, we will seek to test other principles and arrangements through other programmes or pilots. For example, the Government proposes to pilot an approach where providers who are successful in moving people into sustained employment, an outcome which would also help reduce benefit spending, are rewarded with increased funds to invest in further activity.

## C. Empowering local communities

Working in partnership is also vital at the local level – particularly when it comes to tackling persistent concentrations of labour market disadvantage. These concentrations can be highly localised, often within our major cities and urban areas – and we believe that part of the solution lies in tapping into the energy, ideas and expertise of local people. That’s why one of our five principles of welfare reform emphasises the need to empower and involve local communities.

A great deal of employment and skills activity already takes place below the national level. Many local authorities take an active role in providing additional support to people not in work. Local Employment and Skills Boards, consisting of key local partners, already exist in some areas. And third sector organisations often have strong links with particular neighbourhoods or communities. To capitalise on the value these local players can add, the Department needs to develop an approach to local partnership working which:

- engages all key players at the local level, including communities, government agencies, local authorities and the public, private and third sectors. This will include engagement with the Local Strategic Partnerships in England;
- helps those key players to coordinate and plan their contributions to the employment and skills agenda;
- enables localities to innovate, and to complement mainstream provision with support tailored to local needs; and
- is flexible enough to meet the varying needs of different areas – including the differing local structures across England, Scotland and Wales.

## Understanding local challenges

Flexibility and localisation will help us to address the specific needs of local areas.

Despite many jobs being available in London, the capital city has the lowest employment rate of any region in the UK, 69 per cent compared to the UK rate of 74 per cent. In Tower Hamlets the employment rate falls to just 54.6 per cent. Overall 1.5 million people in London, about 30 per cent of the working age population, are not in work.

The higher level of worklessness within the city is largely due to the different make-up of the population. London has a high concentration of people from those social groups – students, people in social housing, ethnic minorities and lone parents – who are less likely to be in work. London's labour market is further complicated by the high numbers of commuters competing with residents for jobs, and by the fact that childcare costs are higher than elsewhere in the UK.

We are taking steps to help meet the unique needs of our capital city. London has two City Strategy pathfinders which bring together local partners to coordinate resources and test new ways of delivering employment and skills services.

The Mayor chairs the employer-led London Skills and Employment Board which drives forward the adult skills agenda for the capital. The Board published its strategy for consultation on 30 October 2007<sup>39</sup>.

We are also working to better understand the specific challenges facing smaller areas across the country, including coastal towns. Although the number of people claiming out of work benefits in coastal towns has generally fallen, some coastal towns have seen a slight increase in the number of people claiming Incapacity Benefit.

We are setting up a cross-Whitehall working group, as well as working with relevant stakeholders (such as local government and Regional Development Agencies) to establish a coastal areas network, sharing best practice in regeneration.

A number of coastal towns (Blackpool, Bournemouth, Poole and Weston-Super-Mare) are also set to be part of the first wave of Multi Area Agreements. This will enable local councils to work together to set collective priorities for tackling employment and enterprise issues within their area.

<sup>39</sup> <http://www.london.gov.uk/lseb/docs/proposalboardstrategy.pdf>

## The City Strategy

The City Strategy has been developed in order to test different local approaches to partnership working, and a new relationship between those local partnerships and central government. In 15 pathfinders<sup>40</sup>, covering areas of labour market disadvantage, local partners have come together to build a common understanding of the problems they face, and a shared vision to do better. They are now putting in place strategies and programmes to deliver a significant increase in their local employment rate, and to get more local people off benefits and into work.

The Department is providing ongoing support to these partnerships. Each has benefited from seed-corn funding to build capacity and support the development process. And over this year and next, £65 million from the Deprived Areas Fund will be devolved to the City Strategy pathfinders to support the implementation of their local plans.

We have worked with pathfinders to ensure that they genuinely represent and empower local people. Diversity has been an important theme. We continue to support and encourage pathfinders to engage with local people, including by increasing ethnic minority and female representation on pathfinder boards.

Where pathfinder areas have a significant ethnic minority population, we have also supported the development of explicit local targets to increase the ethnic minority employment rate.

The City Strategy represents a new approach for the Department, and local partners are rapidly developing their own expertise. To make sure that we capture the lessons of this approach to foster innovation and spread good practice, we have put in place a learning network – bringing pathfinders together to share their experiences and learn from one another. Locally determined approaches will be key to the success of the City Strategy – and may throw up broader lessons. We will ensure that this innovation, and the expertise of the pathfinders, is fully and appropriately utilised.

## Local areas and the Working Neighbourhoods Fund

In England every area currently has a Local Area Agreement. From 2008 this will become a much more powerful framework for devolution and the Local Strategic Partnership will have a stronger role at the heart of it. This will set out a single set of priorities for the area agreed between central government and local authorities and their key partners at the local level. Local authorities and other partners, including Jobcentre Plus and the Learning and Skills Council, will be responsible for working together through the Local Strategic Partnership to agree the priorities in the agreement and to deliver the targets set against those priorities.

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<sup>40</sup> East London, West London, Greater Manchester, Liverpool, Tyne and Wear, Nottingham, Birmingham, Coventry and the Black Country, South Yorkshire, Leicester, Blackburn, Glasgow, Edinburgh, Dundee, Rhyl and Heads of the Valleys.

The City Strategy provides one vehicle for working across boundaries on employment and skills. Building on Local Area Agreements, the local government white paper<sup>41</sup> set out a new mechanism. From April 2008, where a group of local authorities and their partners agree to take action together to tackle employment issues, it will increasingly be possible to do this through a Multi Area Agreement. These agreements will give local authorities a new framework to work together at a sub-regional level in order to promote prosperity and development. The approach will be piloted across 13 areas next year, and will contribute to the Government's drive to ensure that every region benefits from rising national prosperity.

To help local authorities and their partners contribute to this agenda, they will also have more freedom to decide how to spend the money they receive from central government. Councils will be given greater flexibility to focus some of their funding on community priorities – including worklessness.

A new Working Neighbourhoods Fund, established jointly by the Department for Work and Pensions and Communities and Local Government, will help to supplement support and encourage enterprise in areas of England with high unemployment. The fund, worth £1.5 billion, will be available for three years starting in April 2008, and will focus on England's most deprived areas – including many inner-city areas that are home to ethnic minority communities. The fund will support councils in these areas to work in partnership to develop tailored, community-led approaches to getting people back to work.

The combination of Local and Multi Area Agreements and the Working Neighbourhoods Fund will enable us to continue working with local partners in England to develop and refine our approach to localisation. Beyond 2009 we envisage that City Strategy pathfinders in England will work through the same structures, becoming an integral part of the local partnership framework.

## D. Working with employers – Local Employment Partnerships

Our relationships with employers are key both to improving people's skills and getting our customers into work. They help to increase the number of jobs our customers can access. At the same time they encourage employers to be ready and willing to employ the people who are looking for work and may have more challenges to get a job.

In our healthy economy, with jobs being created every day and well over 600,000 vacancies at any one time, the opportunities to work are there. A crucial part of the way in which we support people to move off benefits and into work is to secure strong and effective links between Jobcentre Plus and employers.

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<sup>41</sup> *Strong and prosperous communities – the local government white paper*. October 2006.

While Jobcentre Plus already has significant day-to-day interaction with employers, we identified the need to strengthen this relationship. In the 2007 Budget Statement, Gordon Brown announced the introduction of new Local Employment Partnerships. These partnerships strengthen the relationships between Jobcentre Plus and employers and provide a premium job broking service for employers, in return for a stronger than normal commitment to taking on recruits from disadvantaged groups.

To provide even more job opportunities up and down the country, we announced the 'Jobs Pledge' whereby major employers (public and private) would make a commitment with Jobcentre Plus to offer a quarter of a million job opportunities for people who face greater challenges moving into work. In return for giving them a fair shot at the jobs on offer, Jobcentre Plus agreed that customers would get the preparation and training they needed for the jobs on offer.

Employers have told us that they welcome the opportunity of working more closely with Jobcentre Plus and the Learning and Skills Council to grow their own workforce through a seamless service of 'recruit, train and retain'.

To make the most of the support we offer to people to move back into work and the employers they work for, we need to ensure that pre- and post-recruitment support is considered as part of a whole package. In part, this will be done by Jobcentre Plus and the Learning and Skills Council (in England) improving how they work together. We are working with the Devolved Administrations in Wales and Scotland to align our approaches. Additionally, agreement has now been reached with nine Sector Skills Councils on the content of two-week pre-recruitment courses that will provide recruits with the core presentation and attitudinal skills relevant to the sector. Once in employment, Local Employment Partnerships can provide a link to the new adult advancement and careers service and Train to Gain, enabling individuals to develop skills which will improve their prospects, but which also meet employers' needs. This approach allows employers the opportunity to train recruits in the particular skills needed by their own companies through Train to Gain, either in-house or on providers' premises.

### How we will take things forward

At the heart of Local Employment Partnerships are the relationships between Jobcentre Plus and individual employers. These relationships are flexible, but always involve Jobcentre Plus and employers working together to increase the employer's ability to recruit effectively and efficiently from the diverse groups of jobless people who Jobcentre Plus is helping back to work.

To make those relationships work effectively at a local level, Jobcentre Plus enlists the support of its many partners, including training providers, with the aim of ensuring that people acquire the attitudes, confidence, behaviours and skills required to obtain and retain employment.



Progress to date is encouraging:

- Jobcentre Plus has now secured the commitment of over 250 employers to working through Local Employment Partnerships...
- ...and expects that figure to exceed 300 by the end of March 2008.
- That degree of commitment to partnership working from employers will ensure that Local Employment Partnerships are able to achieve their objective...
- ...which is to help 250,000 disadvantaged jobless people into work by the end of 2010.

### **Local Employment Partnerships so far**

To date, Local Employment Partnership 'jobs pledge' employers have been primarily large national employers – including many with more than 100,000 employees – and key regional employers such as local authorities.

Jobcentre Plus is now working with employers across 11 key employment sectors covering an ever widening range of employment opportunities.

Our drive to engage more employers does not stop there. While Jobcentre Plus has so far concentrated its focus on larger employers, it is now targeting small- and medium-sized employers in rural and other areas. Such employers have fewer vacancies, but can still provide valuable opportunities for our priority customers. To make this more effective, local districts have the option to group employers by sector and type to provide the customer preparation and training needed for smaller businesses. This is in line with suggestions from some smaller employers who were keen to be involved in Local Employment Partnerships. They recognised that they could not offer a significant number of opportunities to people, but that if their opportunities were considered alongside those of other employers from within their sector it would be possible to deliver Local Employment Partnerships with a similar commitment to pre- and post-employment training.

Responses to the consultation underlined the importance of regional and local organisations – as well as central government – working more effectively together to help employers find candidates with appropriate skills. Agreement has been reached with the Learning and Skills Council (in England) to support the development of specific pre-employment training to meet employers' needs. This will be supported by a toolkit that can be offered to employers as an off-the-shelf recruitment and job preparation solution. Nine Sector Skills Councils have helped design the pre-employment training material to ensure it meets the needs of employers in different sectors.

## Leading by example: the Government as employer

*“PCS welcomes major employers agreeing to offer job opportunities to those at a disadvantage in the labour market. PCS believe that for this to work DWP and Jobcentre Plus in particular must become the standard bearer as one of the largest employers in the country.”*

Public and Commercial Services Union

The Government is a major employer in its own right. There are over half a million civil servants directly employed by Government departments and their agencies. Public services, just as much as private businesses, can provide Local Employment Partnership opportunities.

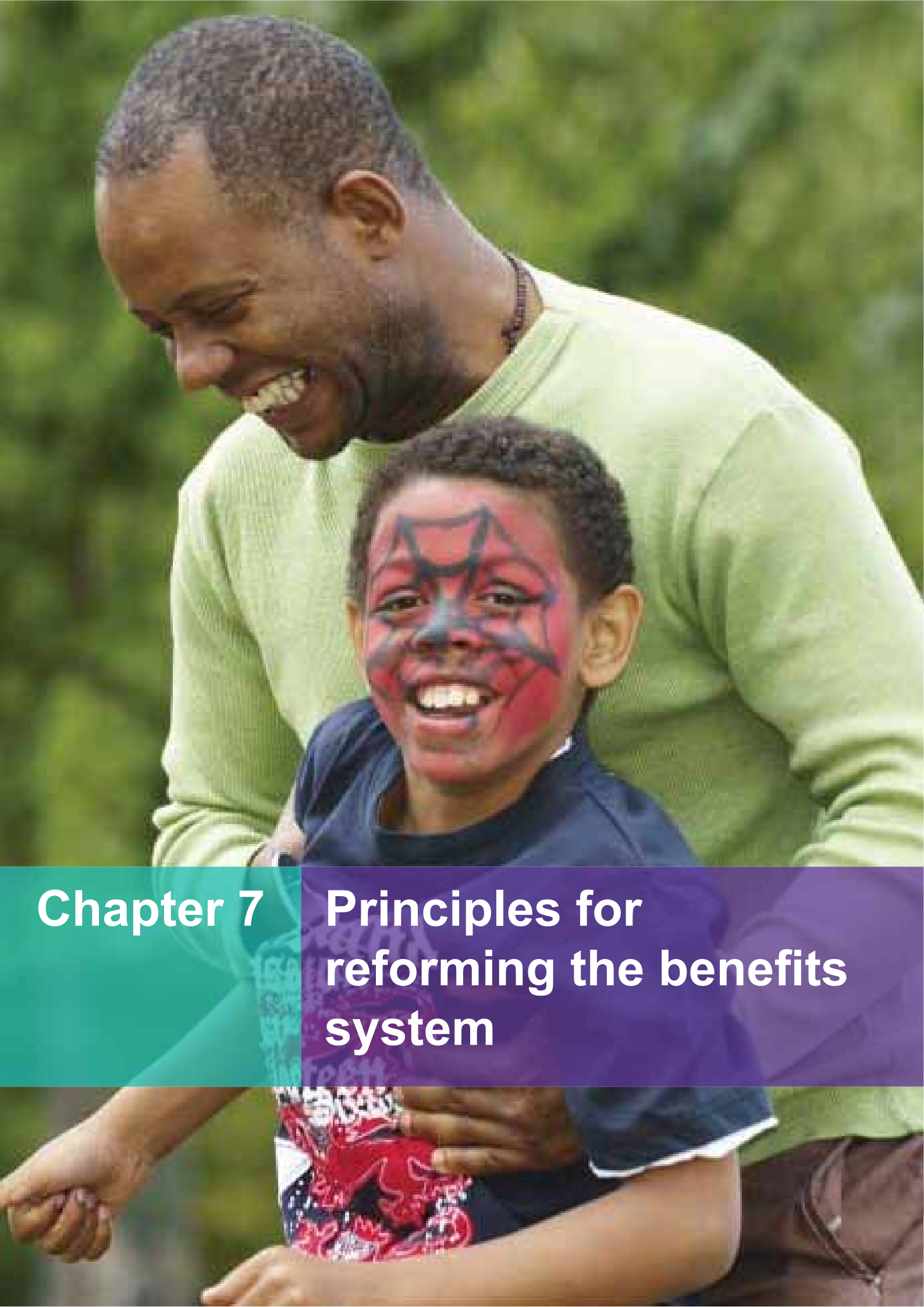
The Department for Work and Pensions has begun to implement its own Local Employment Partnership, using New Deal opportunities and in work mentoring. Building on this, a group has been set up to extend commitment to this initiative to all Government departments and it is working to see how best practice in the Department for Work and Pensions can inform other departments’ approaches or recruitment processes.

Local Employment Partnerships are a prime example of how skills and employment can be brought together in a way which makes sense for the employer and potential employee alike. They promote our agenda of retention and progression in work. They give added confidence to people who may have been on benefit for a long time by demonstrating that jobs are available to them if they take up the support on offer. We will continue to build and develop our relationships with employers with great vigour to give our customers the confidence to take advantage of the jobs on offer, knowing that they will be given a fair crack at the job.

## Milestones

**February 2008** Publish Commissioning Strategy.

**End of 2010** For Local Employment Partnerships to have helped 250,000 people into work.



## Chapter 7

# Principles for reforming the benefits system

We are committed to transforming the benefits system to make it active, not passive, and to ensure social justice.

Reform will happen incrementally in line with clear principles and guided by the concept of a single system for working age benefits.

# Chapter 7 – Principles for reforming the benefits system

## A better benefits system

### The case for reform

The Green Paper focused on measures to help people off benefits and into work. The Work and Pensions Select Committee<sup>42</sup>, the Institute for Public Policy Research<sup>43</sup> and other commentators, including some who responded to the Green Paper, have pointed to the need to reform out-of-work benefits. The Government agrees with David Freud that this important issue warrants extensive debate before decisions are made.

Any debate should start by considering the objectives of the benefits system for people under pension age. The basic purpose of the system is to ensure, as far as possible within the available resources and without damaging work incentives, that people have sufficient income when they are not working. But the system should do much more than that. It should be a powerful force for social justice – helping people when they are in need, ensuring that they are not condemned to poverty, recognising contributions they make to society (such as caring for others) and encouraging them to build a better future for themselves and their families. It should be active, not passive.

Although different elements of the system can be seen as supporting these objectives, the system as a whole is generally not seen as doing so. The current system has evolved over many years and changes have often been made in a piecemeal fashion. The result is a patchwork of provisions which lacks overall clarity of purpose and, from the individual customer's perspective, can appear unfair, confusing and disempowering.

We are determined to transform the benefits system to ensure that it provides social justice and actively supports people to realise their potential. A significant programme of change is already underway, including the introduction of Employment and Support Allowance and lone parent reforms. We have made a clear commitment to simplify benefit rules and processes and to make the Department an exemplar of service delivery<sup>44</sup>. We need to have a better understanding of what our customers want; and ensure that everyone in the Department for Work and Pensions continually uses information from our customers to improve the way we do things. This will ensure that the policies and processes which make up the benefits system are more effective at meeting people's expectations.

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<sup>42</sup> <http://www.publications.parliament.uk/pa/cm200607/cmselect/cmworpen/463/46302.htm>

<sup>43</sup> <http://www.ippr.org.uk/publicationsandreports/publication.asp?id=552>

<sup>44</sup> In the 2007 Spending Review it was agreed that one of the Departmental Strategic Objectives is to make the Department for Work and Pensions an exemplar of effective service delivery to individuals and employers. [http://www.hm-treasury.gov.uk/spending\\_review/spend\\_csr07/spend\\_csr07\\_index.cfm](http://www.hm-treasury.gov.uk/spending_review/spend_csr07/spend_csr07_index.cfm)

However, if we are to deliver a fully effective system we have to tackle the root causes of the current problems. This means above all ensuring that all aspects of the benefits system support the welfare-to-work agenda. In our modern world, work is a realistic option, or a realistic aspiration, for most people and we need a modern benefits system which reflects this. Most people should work: it is good for them, their families and society, and key to tackling child poverty. For most people, out-of-work benefits should be a temporary solution to a temporary problem – not a way of life.

The benefits system must also provide a decent standard of living for people who are not able to work. But too much of the present system is based on assumptions that fitted yesterday's Britain. In a society where people are living, and staying healthy and active, for longer, it is still too easy to label someone as not being able to work due to age or other factors. Passively accepting that individuals have no future beyond long-term dependence on benefits is not the answer.

The Employment and Support Allowance and our lone parent reforms are major steps in making the benefits system more active in helping people to realise their potential. But to complete the transformation from a passive system to one that is truly focused on maximising potential, we must look at the way the system treats people in the round – and to do that we must look at the system as a whole.

## A single, coherent system

We are continuing to look further at the idea of a single system of benefits for all people below pension age. Such a system could be based on a family of benefits with a single, coherent system of rates and rules rather than literally a single benefit.

We are aware that the Work and Pensions Select Committee, IPPR and others have proposed models that separate income-replacement from extra costs as a way of streamlining the system and minimising barriers to work. Whilst we clearly share these objectives, we are not yet convinced that this particular approach is feasible or affordable. However, this is a debate that it is important to have and we want to continue a dialogue on how we can meet our shared goal.



## Design principles

We believe that, following the implementation of the Employment and Support Allowance, we need to ensure that the rest of the working-age benefits system is in line with clear principles:

**Promote work** – the system should be geared to actively promote work as the best route out of poverty for all those who can work. Financial gains from work must be clear, with simple and consistent messages.

**Value for money** – the system must be affordable, secure and cost-effective.

**Clear obligations** – people should be in no doubt as to what they need to do to get benefits. Conditions and requirements should be reasonable and proportionate.

**Straightforward rules** – the system should be easy for people to understand and access. Staff should be able to advise people with confidence and certainty.

**Fair treatment** – a presumption in favour of common rules for common situations, while recognising genuine differences in need.

## Change must be evolutionary

Developing a single, coherent system of benefits would take time – changes could be very disruptive if introduced in one go. There are also some important issues that would warrant debate in their own right before any changes were introduced. These include:

- the role of contributory benefits for people under pension age;
- the treatment of couples;
- how to improve the fit between out-of-work benefits, in work benefits and tax credits; and
- how extra help should be provided for people with extra costs. (Currently there are separate strands of support for housing costs and children, but some provision for the extra costs of disability is provided through incapacity benefits.)

A single system should be seen not as a fixed blueprint, but as a model which, along with our reform principles, informs the nature and direction of changes to the benefits system.

Our clear goal is to transform the benefits system to make it more active and promote social justice. We intend to set out further details next year of our approach to incremental benefit reform.

## Milestones

- |                     |   |
|---------------------|---|
| <b>2008</b>         | Publish further details of our approach to benefit reform.  |
| <b>October 2008</b> | Incapacity benefits will be replaced for new customers by the Employment and Support Allowance.   |
| <b>October 2008</b> | Lone parents with a youngest child aged 12 or over will no longer be entitled to Income Support solely on the grounds of being a lone parent. |
| <b>October 2009</b> | Lone parents with a youngest child aged 10 or over will no longer be entitled to Income Support solely on the grounds of being a lone parent. |
| <b>October 2010</b> | Lone parents with a youngest child aged 7 or over will no longer be entitled to Income Support solely on the grounds of being a lone parent.  |



## Chapter 8

## Conclusion

## Chapter 8 – Conclusion

This document has set out how we are responding to our long-term aspirations of an 80 per cent employment rate and world-class skills. We will bring more inactive people into work than ever before, and ensure people have the skills and attitudes they need to progress in work. We will increasingly look to **move people from being passive recipients of benefits to jobseekers** actively seeking and preparing for work, and then progressing in work.

We will expect more from individuals; to prepare for work, get into work and to get on at work, in return for support and advice that is increasingly flexible and tailored to individual need. We will modernise support and increase obligations for people who can work, including lone parents, people with health conditions and some disabled people.

Jobcentre Plus will be at the heart of partnerships between the public, private and third sectors which will focus on **what works best** to move people into sustainable employment and then to progress in work.

These measures will **extend prosperity and social justice** to all corners of Britain, helping people into work and reducing the number of children living in poverty.



## **Annex A**

## **Summary of consultation responses**

# Annex A – Summary of consultation responses

## Introduction

The Green Paper, *In work better off: next steps to full employment*, was published on 18 July 2007. The Green Paper was designed to deliver a step change in the employment and skills support we offer to those who are most disadvantaged in the labour market.

The Green Paper set out proposals to:

- help lone parents to move out of poverty through employment. This means matching increased support with additional responsibility to look for work, starting in the first instance with lone parents whose youngest child is at least 12;
- build on the success of the New Deal. The new programme will be more flexible, responsive and personally tailored, with fast-tracked support for those who have previously struggled to find a stable pattern of work;
- better integrate employment and skills services, responding to the challenges set by the Leitch report on skills;
- strengthen Jobcentre Plus' role at the heart of the system of help and support, particularly early on in a benefit claim;
- make better use of specialist support for more disadvantaged customers, at an appropriate point in their claim, through contracted provision with public, private or third sector bodies; and
- improve value for money through more outcome focused and less prescriptive specialist support, building on the work done by the Freud review.

The Government recognises the importance of listening to, and engaging with, stakeholders in order to benefit from their expertise and experience.

This annex captures the key issues and ideas that have been raised in response to the Green Paper. The Green Paper put forward a number of questions to help respondents shape and prepare their responses. Inevitably, there were many other areas where stakeholders wanted to comment and these are also reflected. This annex summarises how the comments and suggestions have influenced our proposals and how we intend to take them forward. It does not include every point raised or every quote from each organisation, but we have read and considered every response to ensure that this report provides a fair representation of the feedback.



During the consultation period, the House of Commons' Work and Pensions Select Committee also conducted an inquiry into the proposals contained in the Green Paper and the Leitch Report. The Select Committee's report, which put forward a total of 15 recommendations, was published on 30 October 2007. The Government's response to the Select Committee has been sent to the committee to coincide with the publication of this document.

## How we consulted

Stakeholders were consulted using a wide range of mechanisms in order to get a wide range of views.

### Formal consultation

The formal consultation period for the Green Paper began on 18 July 2007 and ended on 31 October 2007. People could respond by post and by e-mail, through a dedicated e-mail address.

We received formal responses from 191 organisations (including trades unions, public bodies, voluntary organisations, providers etc), 104 individuals (including customers) and 174 members of Jobcentre Plus staff. A breakdown is provided in Table 1.1. The list of organisations that responded is at the end of this annex.

Table 1.1 Volume of responses

Voluntary organisations	76
Government/public bodies	53
Social firms	21
Other organisations	41
Jobcentre Plus employees	174
Individuals	104

## Events, seminars and discussions

In addition to the formal consultation, Ministers attended around 40 consultation events around the country with a range of stakeholders including customers, employers, MPs, lone parents and third sector organisations. These included: a visit to the Yvonne Carr Children's Centre in Lambeth to meet lone parents; a visit to Liverpool for the launch of EmployAbility; a visit to the Everton Children's and Family Centre and; in Yorkshire & Humber, a visit to a Sure Start Centre and a Local Employment Partnership event.

Some key events were:

- A consultation event in Cardiff on 7 September 2007. The Secretary of State for Work and Pensions, Rt Hon Peter Hain MP, met long-term unemployed people, customer representatives groups such as Citizens Advice Bureau and Jobcentre Plus staff to obtain their views on the Green Paper. He also signed a Local Employment Partnership agreement with North Glamorgan Health Trust and visited Dash Training to see the work they do to help long-term unemployed people back into work.
- Consultation events in Glasgow on 12 and 13 September 2007. The Secretary of State attended a Local Employment Partnership event where he met with a group of employers from across the city to discuss their views on the proposals, and met with the recently launched Glasgow Works, the consortia that will deliver the City Strategy in Glasgow.
- A Citizens' Summit, *Closing the gaps*, held by the Ethnic Minority Employment Taskforce, the Equal Opportunities Commission and the Department for Work and Pensions at the O<sub>2</sub> arena on 22 September 2007. The event, attended by ethnic minority women, employers, observers from Government and other public bodies and the Minister for Employment and Welfare Reform, Caroline Flint MP, was an opportunity for both women and employers to have an honest and open debate about the barriers to increasing ethnic minority women's employment.
- A stakeholder event held at the Work Foundation on 21 November 2007. The Secretary of State opened the event, which was also attended by the Minister for Employment and Welfare Reform, Will Hutton and David Freud. The key objective of the event was to debate the challenging questions that emerged from the consultation.

Ministers also toured the country to hold discussions on the Green Paper proposals with staff from Jobcentre Plus offices and contact centres, including Dumfries, Caerphilly, Peterborough, Sheffield, Coventry, Bristol, Hendon, South Tyneside and Cardiff. Staff were also invited to submit comments via the Department's Intranet.

## Online consultation

We wanted to ensure that we captured the views of as many parents as possible. Therefore, in addition to the formal consultation process we decided for the first time for a Department for Work and Pensions Green Paper consultation to consult via web discussion forums. We focused on two websites to get the views of lone parents and two-parent families, receiving over 2,000 posts:

- ParentsCentre<sup>1</sup> – the consultation ran from 2-31 October 2007. The Minister for Employment and Welfare Reform also ran a live webchat on 15 October 2007. Participants were able to ask questions that had been raised in the forum.
- Netmums<sup>2</sup> – the consultation ran from 15-31 October 2007. Netmums supplemented their discussion forum with an online survey, attracting 3,510 responses which they submitted as an official response to the consultation.

In addition, the Secretary of State held a live webchat on 9 October 2007 on the 10 Downing Street website. He focused on the Green Paper proposals but also took questions on other issues, including pensions.

## Green Paper distribution

The *In work, better off* Green Paper was available in a number of formats, as was the accompanying Impact Assessment. We distributed around 4,000 copies and the Green Paper could also be downloaded directly from our website.

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<sup>1</sup> ParentsCentre ([www.parentscentre.org.uk](http://www.parentscentre.org.uk)) is run by the Department for Children, Schools and Families providing advice and support for parents.

<sup>2</sup> Netmums.com is a family of local websites set up and run by mothers to provide local information on issues such as places to go, things to do, education, childcare, and community, social and employment issues.

## What you told us

Stakeholders provided a wide range of views on the Green Paper proposals.

- Overall, stakeholders welcomed additional support for those most disadvantaged in the labour market.
- There was strong support for encouraging lone parents to work, but this was conditional on there being good quality, affordable childcare provision and suitable, flexible and quality employment opportunities available locally. There were concerns that conditionality could potentially increase child poverty, either by increasing in work poverty or through sanctioning.
- On entitlement to Income Support, many wanted no change, some supported reducing the age of the youngest child to 12 but many felt age seven was too young. However, for many respondents, the key issue was not the age of the youngest child but the availability of tailored individualised support that is flexible enough to deal with individual families' needs.
- A key theme running across many of the responses was that every family was different; and that the individual should be able to decide what is best for their family and have that decision respected and supported.
- There was strong support for the principles of the flexible New Deal.
- There was strong support for Local Employment Partnerships and the Jobs Pledge, but there was some concern that the range of sectors signed up so far is narrow and that there is no mention of part-time jobs or flexible working.
- The acknowledgement of ethnic minority discrimination in the Green Paper was welcomed, but there was some disappointment at the lack of proposals to deal with employer discrimination. Training, including English for speakers of other languages (ESOL), was seen as central to the ethnic minority agenda.
- On commissioning, larger providers were particularly supportive of additional flexibility and the sense of focus on outcomes for our customers. Smaller providers expressed concern about their ability to enter and participate in the market.

The following sections discuss these themes, and other issues, in more detail.

## Section 1: Lone parents

### What we asked

**Question 1:** At the moment, lone parents are entitled to Income Support until their youngest child is 16. Is it right that this age should be reduced?

**Question 2:** What would the minimum age be?

**Question 3:** Should we do more to ensure that our support for lone parents is accessible and useful for all groups, in particular those with disabled children and those from certain disadvantaged groups and areas?

**Question 4:** More frequent Work Focused Interviews are currently offered to lone parents in the two years before their eligibility to Income Support is lost. As the age of the youngest child is reduced, should other forms of support be provided, and over what period prior to loss of eligibility?

**Question 5:** For lone parents who move onto Jobseeker's Allowance when they lose Income Support eligibility, what forms of support (in addition to those provided to Jobseeker's Allowance claimants who are not lone parents) should be available, and over what timescale?

**Question 6:** Jobseeker's Allowance recipients can, in certain circumstances, restrict their search for work to a minimum of 16 hours per week. Should additional flexibilities be available if the proposed changes are made?

**Question 7:** What form might a 'better off in work' assurance for lone parents take?

**Question 8:** Are any special provisions required for lone parents who move onto benefits other than Jobseeker's Allowance (for example, Employment and Support Allowance or Carer's Allowance)?

**Question 9:** In addition to the improvements in childcare provision and the right to request flexible working, is there further support that should be provided to help lone parents into work and support them whilst there?

## What you said

There was strong support for enabling lone parents to work, but this was conditional on there being quality, affordable childcare and flexible, local employment. Many questioned the existence of evidence to underpin the introduction of conditionality for lone parents and how old the youngest child should be if it is brought in.

*“A condition of this age limit adjustment is that excellent support to find work is available and appropriate. Easy access to a variety of high quality and flexible childcare options is required.”*

Work Directions

*“For some lone parents it will be appropriate to work full time, but we think it is right that they should have a choice. If this minimum age is to be reduced we think it is essential to allow some flexibility...”*

London Borough of Newham

*“The success of the proposed changes in entitlement to lone parents of children aged 12 in 2008 and over seven in 2010 rely on as yet unfulfilled targets regarding childcare sufficiency and extended schools.”*

4Children

*“We are concerned that the Green paper proposes greater responsibility upon claimants without balancing proposals for how the rights of claimants will be enhanced...”*

Social Security Advisory Committee

*“Even with children in school, most working parents find that school holiday and half term care is a costly and worrying minefield that has to be re-negotiated each holiday and half term.”*

Individual

*“I would like someone to explain who looks after the 11-14 year olds. Childminders are an option but very few and far between.”*

Individual, online consultation

*“The government will also need to work with employers to encourage them to ensure they will provide greater flexibility to enable lone parents remain in work.”*

London Borough of Greenwich



A number of individuals did not agree with the focus of the proposals; they felt that it was their right to choose if and when to work. Some respondents were concerned about the impact of the proposals on the child's well-being and behaviour. Some also felt that the proposals contradicted other Government policy.

*"Lone parents' situations are diverse and complex, and their decision about how best to put their children first must be respected."*

One Parent Families|Gingerbread

*"I think the main reason children in the UK behave so badly is because they do not have a parent at home taking care of them."*

Individual

*"I want to raise a healthy, balanced child, not a 12 year old latchkey kid who does not see enough of his mother and consequently turns to delinquency, drugs, gangs in the absence of good parenting."*

Individual

*"There is a concern over the problems of antisocial behaviour, which with children require parental input. Compulsion could mean that unacceptable behaviour involving children may increase as parental control could be lessened."*

Durham County Council

*"It needs to be ensured that parents are not being encouraged or expected to use grandparental care for their children in order for them to return to paid work particularly if this is going to have a detrimental impact on the employment of the grandparents."*

Equality and Human Rights Commission

Some respondents were concerned that the Jobseeker's Allowance regime was not appropriate for lone parents and that the proposals could potentially increase child poverty, by increasing in work poverty or through sanctions.

*"We do not believe this is appropriate because many lone parents face difficult and uncertain circumstances that are incompatible with the conditionality regime of jobseekers allowance."*

Citizens Advice Scotland

*"..the government has a balancing responsibility to ensure that we do not create 'in work poor'..."*

Carter and Carter

*"If we start to punish for example, single parents with reductions in benefits etc it is the children who will suffer as a result of the actions of their parents. At a time when child poverty etc is high on the agenda this approach will not help."*

Barnsley Metropolitan Borough Council

For many respondents the age of the child was not the key issue in deciding when lone parents should work, but flexible local support tailored to individual circumstances was. Others felt strongly that the age limit should remain at 16, the age they thought children were old enough to look after themselves. On the other hand, there was some support for reducing the age of the youngest child to 12 years but less for seven years.

*“The specific age of the child should be irrelevant providing that proper employment support and the infrastructure to enable the lone parent to take up employment is in place.”*

Employment Related Services Association

*“16 seems a reasonable age to me. It is the age at which children are generally considered to be able to care for themselves for short lengths of time.”*

Individual

*“In conclusion, there is overwhelming agreement that the majority of parents, single or not should be working as their child grows older. Three quarters were in favour of expecting single parents to be working when their children were aged 12, although a majority were against lowering this to age 7.”*

Netmums: survey of 3,510 members

*“I don’t think the new proposals are unfair, they are phasing it in slowly with the 2 age stages so that people can plan accordingly. 7 years paid benefits is very generous, after all they are only meant to be a stop gap and not a lifestyle choice.”*

Individual, online consultation

*“Yes, this age should be reduced, albeit on a gradual scale. Reducing the age limit at national policy level will necessitate the provision of more comprehensive support to enable parents to move into employment at a local level.”*

Routes to Inclusion Group

*“Although there may be a case for encouraging parents whose youngest child is over 12 to take up work, we would absolutely oppose the reduction to 7.”*

Wheatsheaf Trust

There was a strong feeling that the system should not penalise those who have a genuine need to stay at home and care for their children, regardless of their age.

There was a strong sense that support was needed long before entitlement to Income Support ceased. Support should be flexible enough to deal with changes of circumstances and individual families’ needs, and focused on progression and training as well as retention.

*“Effective advice and guidance and the opportunity and encouragement to develop economically valuable skills should be available for lone parents. It is essential to take a holistic and medium/long term view of the individual and their family circumstances.”*

Learning and Skills Council

*“...if welfare reform is to have an impact on child poverty levels, lone parents must also be given both pre work and in work support to improve their skills levels.”*

Glasgow Works

*“I think it’s also extremely important to offer education and training for all parents before returning to work, otherwise they just end up stuck in unskilled, low wage jobs with few prospects.”*

Individual, online consultation

It was felt that lone parents needed support to navigate the benefits system and the interactions with tax credits, Housing Benefit and Council Tax Benefit.

*“A stronger input from Jobcentre Plus (or their delivery partners) explaining in-work benefits and tax credits will be needed. JCP will need the expertise to identify those parents who need much higher earnings to be better off (e.g. those with mortgages) and also should be able to offer assistance in completing forms to ensure legitimate claims are made.”*

London Borough of Hounslow

*“There also seems to be barriers to take up of benefits by those in work (see e.g. the Harker Report) and more could be done to bring about higher take up of, for example, council tax benefit, by those in low paid work.”*

Citizens Advice

There was some concern that lone parents would be required to take low paid jobs. On the form a better off in work assurance could take, respondents stressed that lone parents needed to be genuinely better off working and that emotional as well as financial well-being should be taken into account.

*“The assurance that if they were not ‘better off’ in work they wouldn’t be forced into it.”*

Individual

*“They should be truly better off in the long term. The real costs of being in work should be taken into account and not just bus travel costs...Loss of passported benefits like free school meals and free prescriptions and dentist treatment also need to be taken into account.”*

UKgateway

*“The assurance should be that they and their children will be truly better off and I am not just talking about financially but emotionally as well...”*

Individual

It was strongly felt that increased conditionality was not appropriate for:

- parents with disabled children or whose children had additional needs;
- carers of both disabled children and adults;
- mothers fleeing domestic violence; and
- parents who choose to home educate.

*“We support the aspirations of many mothers of disabled children to return to work. However, there are structural problems and barriers to overcome in order to turn this aspiration into a reality. And some parents, particularly those whose child will have a limited life span, may choose to be at home with their child rather than in employment.”*

Contact a Family

*“Many parents of disabled children, including mothers, want to work, but face additional barriers doing so compared to parents of non-disabled children. In recognition of these barriers, Every Disabled Child Matters opposes any extension of conditionality to parents of disabled children, and in particular, lone parents.”*

Every Disabled Child Matters (National Children’s Bureau)

*“When working women leave a violent man, it is often the case that they also have to leave their place of work or risk being followed by their partner as they leave the workplace – something which results in their new whereabouts being discovered and the risk of further violence. For this reason, women staying in refuges are strongly discouraged from working after they have escaped domestic violence both for their own safety and for the safety of fellow residents.”*

Refuge

*“It also has to be noted that some parents do not send their children to school and in fact home educate them. In these cases parents are not able to work and should not be forced to do so.”*

Individual

## The Green Paper also asked

**Question 10:** What more could we do to help working families – especially those from the most disadvantaged backgrounds – improve their earnings and lift themselves out of poverty?

Many of the responses to this question echo the suggestions made in response to the proposals for lone parents: improved childcare provision (through increased availability and subsidies) and more opportunities for flexible employment (through employer engagement). Many felt that more in work support was essential in order to lift families out of poverty. Suggestions included improved support for skills and training to aid progression, and financial support such as earnings disregards, more flexibility in the tax credit system and running-on passported benefits.

### How the Government is taking this forward

- The Government is a strong advocate of the importance of good parenting, and understands the differing circumstances of lone parents. However, clear evidence shows that as children get older, families are better off when parents are in work.
- This is why, from October 2008, the Government will expect those lone parents who are able to work and are claiming benefits to look for work when their youngest child reaches 12, with this age reduced to 10 from 2009 then seven from 2010.
- It is still understood that lone parents often have complex needs and that each of their individual situations needs to be considered.
- The Government has invested significantly in childcare in recent years and has committed to improving childcare availability to meet the needs of working parents. The Scottish Government also share this commitment.
- Legislation will be changed to give advisers extra discretion, so that a lone parent who is claiming Jobseeker's Allowance will not be penalised if they leave a job, or fail to take up a job, because appropriate, affordable childcare is genuinely not available.
- The Government has established an independent review to determine how the current right to request flexible working can be extended to parents of older children.
- The Government will continue to make sure that Jobcentre Plus personal advisers receive training and guidance on the needs of lone parents. Service providers will also be responsive to the needs of lone parents.
- The Government has announced a range of pre-employment skills and retention measures that will ensure lone parents have access to the services, financial support and ongoing assistance they need to get and retain a job and a career.
- These arrangements will only apply to lone parents who are able to work. Lone parents who also have other reasons for claiming Income Support, for example if they have children for whom the middle or highest rate care component of Disability Living Allowance is payable or they claim Carer's Allowance, or are fostering, will continue to be eligible to claim Income Support.

## Section 2: Flexible New Deal

### What we asked

**Question 12:** In exchange for more specialist support, are we right to ask more of those who have been unemployed and receiving benefit the longest?

**Question 13:** Should there be any exceptions to this approach of increased conditionality and increased support?

**Question 14:** Is a structured, progressive regime of support and conditionality at fixed intervals the right approach?

**Question 15:** Should some people be enabled or required to enter the Gateway stage more quickly than others, taking account of their employment history or needs? Which groups should be 'fast-tracked'?

**Question 16:** Should we require a period of work experience from those who do not succeed in getting work after benefiting from a more intensive level of help from specialist providers? How can we best ensure that this work experience is beneficial?

### What you said

There was strong support for the flexible New Deal.

*"The first need is flexibility tailored to the individual."*

Individual

*"The TUC has argued for a more flexible New Deal since the programme was designed."*

Trades Union Congress

*"Flexible New Deal is a necessary step towards simplifying the range of programmes currently operating."*

Employment Related Services Association

Responses to the Green Paper's theme of rights and responsibilities were generally positive. Using the expertise in the public, private and third sectors to deliver specialist back to work provision was also broadly welcomed, with many people believing that this provision should be available from day one.

The emphasis on skills was also welcomed. Many respondents believed that fundamental skills needs, such as basic literacy and numeracy, needed to be addressed right at the beginning of the process. Some also thought that this should include even more rudimentary soft skills which many people take for granted, such as effective communication, team-working and time-keeping skills.



The general view was that offering more support and asking more from customers in exchange was perfectly acceptable as long as it was fair. The issue of benefit sanctions was raised and often criticised, though many respondents appeared to be under the impression that sanctions are used far more widely than they are. In fact, just four per cent of all Jobseeker's Allowance and New Deal customers are sanctioned. A recent Department for Work and Pensions survey noted that three-quarters of respondents thought it was fair to stop or reduce someone's benefit if they did not stick to the rules for claiming Jobseeker's Allowance and around two-fifths of those affected thought that their own sanction was fair.<sup>3</sup>

A number of respondents thought that the current rules for Jobseeker's Allowance were too rigid and suggested a variety of changes. The current rules which prevent Jobseeker's Allowance customers from studying for more than 16 hours per week, for more than two weeks per year, came in for particular criticism.

*"Young people living in Foyers are encouraged to participate in a range of lifeskills courses and other activity that helps them to develop the confidence, skills and experience they need to enter sustainable employment. We believe it is crucial that Jobcentre Plus advisers be given discretion to allow young people to participate in such courses while claiming JSA."*

Foyer Federation

Responses to the proposed progressive regime of support and conditionality were mixed. Many believed that the extra help should be available on demand, rather than at a specific point in a person's benefit claim. Some questioned the role of Jobcentre Plus personal advisers and whether they had the expertise necessary to help the more disadvantaged jobseekers. Others believed staff would not be given enough interview time to adequately serve customers' needs and feared that the new arrangements would put unrealistic expectations upon them.

*"Stop thinking one size fits all as it clearly doesn't. Allow the advisers to get to know the customers (this takes time) give them the tools to do the job and allow them to find out what motivates the customers and then listen and act."*

Jobcentre Plus employee

Many respondents believed that as many people as possible should start at the Gateway, with some proposing that those in need of the most help should be fast-tracked straight to the flexible New Deal. In particular, the consensus was that people who have multiple barriers to work and young people not in education, employment or training should be given priority.

<sup>3</sup> Peters, M. and Joyce, L., 2006. *A review of the JSA sanctions regime: Summary research findings*. DWP Research Report No 313.

Many commented upon the proposals to use a person's benefit history to determine eligibility for fast-tracking, suggesting instead that some sort of profiling tool could be developed to identify all those who needed help.

The proposal for work experience was generally welcomed. It was widely recognised that work experience is a valuable asset when seeking employment, particularly for those who have been out of work for a long time. However, many thought it should be voluntary rather than mandatory.

*"I can say that the principle behind the document seems to be sound, but the implementation of such a policy needs to be studied for a period before launch and there needs to be sufficient safeguards to make sure that such a policy is not abused."*

Jobseeker's Allowance customer

There were also concerns that mandatory work experience placements would take away proper jobs in the community. Some also thought that the proposals were at odds with the philosophy of the National Minimum Wage or the role fulfilled by existing volunteers.

On the flexible New Deal itself, the proposals for giving providers more flexibility to develop back to work programmes was welcomed. Some commented that this stage of support needed to be longer than 12 months for those who would benefit from more time with a specialist provider. There were also concerns that small-scale specialist providers in the third sector may lose out to big private sector contractors.

### **How the Government is taking this forward**

- The Government is pressing ahead with the implementation of the flexible New Deal.
- The recently published, *Opportunity, Employment and Progression: making skills work*<sup>4</sup>, a joint Department for Work and Pensions and Department for Innovation, Universities and Skills document, announced measures to improve access to skills and training.
- In the future, customers who have been claiming Jobseeker's Allowance for six months or more will be able to undertake full-time training for up to eight weeks – and receive a training allowance rather than Jobseeker's Allowance – provided that the training is focused on a return to work.

<sup>4</sup> <http://www.dwp.gov.uk/welfarereform/making-skills-work.pdf>

- Furthermore, in recognition of the particular challenges faced by some vulnerable groups who require Housing Benefit whilst undertaking necessary full-time training, the Department will consider whether it might be practicable to define limited exemptions from the 16 hour rule for specific groups – such as young people living in supported accommodation.
- On fast-tracking and the suggested use of profiling tools, evidence collected by the Department suggests that it is difficult at the outset to identify accurately those who need additional support to find employment. The best indicator of labour market disadvantage appears to be a jobseeker's benefit history. The Government is therefore proposing fast-tracking jobseekers with long benefit histories to the Gateway to give them immediate and more intensive support than they would otherwise receive.
- The Government believes that a period of full-time work experience could be beneficial to individuals who have little or no experience of work. It will also give providers another valuable tool they can use to engage with harder to help customers. The Government proposes that mandatory work experience will be part of the plan at the most appropriate stage in the 12 month period with a provider, and expects that no customer who completes this period without moving into work could do so without having undertaken four weeks of full-time activity.
- The services delivered by service providers under flexible New Deal will be responsive to the individual needs of jobseekers, including lone parents and other disadvantaged people.
- Finally, on the use of public, private and third sector providers, the Department has recently published its initial findings following consultations with service providers and will be publishing a formal strategy document in the first part of 2008. The Government is committed to giving providers in every sector a chance to deliver services.

## Section 3: Tackling ethnic minority disadvantage

### What we asked

**Question 11:** What more could we do to help ethnic minority women, particularly of Pakistani and Bangladeshi origin, overcome specific barriers they face?

### What you said

It was welcomed that ethnic minority discrimination was acknowledged in the Green Paper, but there was disappointment that the paper contained few proposals to deal with employer discrimination or the structural causes of labour market disadvantage.

*“The department should prioritise the implementation of equality legislation to ensure that employers do not have discriminatory attitudes, policies and practices towards ethnic minority groups.”*

Public and Commercial Services Union (PCS)

*“We would have liked to see more detailed proposals as to how this discrimination is to be tackled. Without clear policy objectives and targets to deal with this we are concerned that people from minority ethnic groups may suffer disproportionately from the conditionality being placed upon claimants.”*

Child Poverty Action Group

*“We would...suggest that public sector employers should lead the way as exemplar employers, with a commitment to remove barriers from existing recruitment and selection practices.”*

Greater Manchester City Strategy Consortium

*“Government should explore offering preferred contractor status to organisations with exceptional records in providing sustainable employment opportunities within their own organisations to the target groups outlined in the Green Paper.”*

Equality and Human Rights Commission

The lack of availability of culturally sensitive, flexible childcare was identified as a key barrier to ethnic minority women entering employment. However, many respondents felt that ethnic minority women should be allowed to stay at home with their children if that is what they wanted.

*“This is likely to be a particular problem for parents of disabled children and members of cultural and religious minorities, who are more likely to have requirements that mainstream providers will have difficulty meeting.”*

Social Security Advisory Committee

*“Recommendations from our Listening to BME parents about childcare research included: encouraging children’s centres and other childcare providers to create more innovative ways of engaging the local BME community and prioritise outreach; making base-line training in race equality and race/cultural awareness compulsory for all childcare training courses for all staff; conducting local recruitment campaigns to encourage BME groups to consider childcare as a career option...”*

Daycare Trust

*“...allow them the dignity to decide for themselves whether they want to accept the supposed benefits of working, or whether they feel they can make a better life for their children by being there for them.”*

Individual

Training, especially including English for speakers of other languages (ESOL), was seen as central to the ethnic minority agenda.

*“For many, ESOL is the primary barrier they need to overcome before they can enter the labour market. Tuition should incorporate quality childcare.”*

Avanta

*“It is crucial that vocational English language training is provided alongside other forms of training for both men and women.”*

Mayor of London

### **How the Government is taking this forward**

- Jobcentre Plus will continue to make every effort to ensure that people from ethnic minorities achieve the best outcomes.
- In addition, the City Strategy will tailor approaches to ethnic minority disadvantage within local communities; including ESOL for Parents in London. The new Working Neighbourhoods Fund will also be available in many of the wards where the most employment-deprived ethnic minority people live.
- In the 2005 Pre-Budget Report, the Chancellor of the Exchequer commissioned a Business Commission on Race Equality in the Workplace, including senior leaders from major private and public sector employers. The Business Commission reported in October 2007, identifying a number of recommendations focused on tackling discrimination and misconceptions in the workplace, in order to close the ethnic minority employment gap. The Government will carefully consider the views of business leaders on how best to support employers to tackle misconceptions and promote equality in the workplace.

## Section 4: Local Employment Partnerships and the Jobs Pledge

### What we proposed

The Green Paper expanded on the retail based Local Employment Partnerships in the 2007 Budget by creating a new Jobs Pledge under which major employers, in both the private and public sectors, would offer a quarter of a million job opportunities for people who are at a disadvantage in the labour market so long as they engage with the support available and are ready, willing and able to work.

The Jobs Pledge would complement the Government's existing Skills Pledge in England, through which employers commit to support their employees and new recruits to improve their skills and become better qualified while in work.

### What you said

There was strong support for the Jobs Pledge, with benefits seen for the business involved as well as for jobseekers.

*"Participating members believe their involvement helps meet business objectives, creating a diverse and dedicated workforce, reflecting their customer base, and meeting their corporate social responsibility goals. Some have already noted real benefits as a result of their participation, helping to improve ties with their local communities and winning added commitment from staff."*

Confederation of British Industry (CBI)

It was strongly felt that employers making a Jobs Pledge should be required to offer training and clear progression routes, and be required to provide opportunities for flexible and part-time work. Many also thought Local Employment Partnerships should cover a wider range of sectors, including small and medium-sized employers.

*"To avoid the danger of reinforcing current patterns of disadvantage and placing groups such as lone parents and those on incapacity benefits, into poor quality jobs, employers making jobs pledge should be required to include in their pledge clear progression routes through to management roles."*

Equality and Human Rights Commission

*"Making offers of training and flexible working should be part of the requirement placed on employers before they can enter the Local Employment Partnerships."*

Barnado's

*“The examples of the employers taking part in the Job Pledge are extremely limited and we would question whether amongst them all employers are family friendly. We would propose that before an employer is signed up to the Jobs Pledge there should be a charter mark ‘family friendly’ assessment made of their employment practices.”*

Child Poverty Action Group

*“...the list of organisations signed up to the pledge is telling: almost all are national or international organisations in the retail, hospitality and catering industries. This fails to recognise that not everyone wants to work in service industries.”*

Mind

Avoiding duplication and reducing complexity or business overlap for employers was important to partner organisations.

*“LEPs and jobs pledge need to be integrated in existing local arrangements and would like assurances that employers would not be overwhelmed by proposals.”*

London Development Agency

### **How the Government is taking this forward**

- Jobcentre Plus will continue to establish Local Employment Partnership agreements with employers. So far over 250 employers have committed to Local Employment Partnerships, and we are on course to exceed 300 employers by the end of March 2008.
- As more and more employers sign up, the range, type and variety of job opportunities being obtained is increasing – ensuring that the jobs on offer accurately reflect labour market and priority customer needs.
- Jobcentre Plus will develop closer working with the Learning and Skills Council and other key partners to develop jobs and skills offers that meet the needs of employers. The Government recently published plans for how the skills and employment agenda will be taken forward in the recently published, *Opportunity, Employment and Progression: making skills work*, a joint Department for Work and Pensions and Department for Innovation, Universities and Skills document.



- In addition, City Strategy pathfinders offer the opportunity for more people to transform their lives through a job. Working together to combine and align efforts will deliver a real improvement in the employment rate of those often overlooked in the labour market. Local Employment Partnerships can bring in additional resources to help tackle the localised pockets of worklessness in the towns and cities that the pathfinders are operating in.
- The success of Local Employment Partnerships will depend in part on the ability to make best use of all the existing support available, maximise the flexibility that already exists within existing programme contracts, and ensure the help and support on offer is work-focused and accessible to priority clients.

## Section 5: Commissioning strategy

### What we proposed

To deliver new support in more effective ways, we proposed simplifying and rationalising our existing set of contracts over time and taking a more strategic approach to the commissioning of employment programmes. We proposed four key principles – quality provision; competition to drive value; outcome based contracts with increased flexibility for providers; and minimum standards of support for all.

We asked for views on the size and shape of the market; risk and reward structures; the role of small, specialist providers; drivers for innovation and investment; integration with local and area initiatives; and making the customer a more active participant.

### What you said

Larger stakeholders on the whole were very supportive of the proposal to move to larger contracts. Smaller organisations, particularly third sector organisations, were concerned that they would be unable to enter or compete in this market.

*“The CBI believes the length, size and scale of contracts must be sufficient to encourage providers into the market.”*

Confederation of British Industry (CBI)

*“OSW has concerns that the recent round of contract letting by DWP resulted in the 15 Pathways to Work contracts being let to five private sector companies, and only one to the voluntary sector.”*

Off the Streets and Into Work

Many stakeholders stated that the Department should take a more active role in developing and managing the market, especially in supporting smaller providers. Smaller stakeholders felt that the Department should provide protection for sub-contractors in order to ensure fair and equitable treatment.

*“Government should provide protection against misuse of subcontractors via specific clauses in headline contracts and via the requirement of prime contractors to adhere to [a] Code of Conduct.”*

Tomorrow’s People

The ability to deliver a personalised service – and to see customers as individuals – was important to all stakeholders.

*“The many small and sometimes intangible aspects of good service, contributing to people’s willingness to engage and get a job provide critically important performance information.”*

Work Directions

Partnership working at a local level was seen as critical to successful delivery and some stakeholders were concerned about the ability of very large organisations to operate at neighbourhood level.

*“...the use of large outcome based contracts may result in the loss of local knowledge and expertise if smaller, local service providers are not engaged in delivery. Our experience suggests a localised and flexible structure is crucial.”*

London Borough of Greenwich

Many respondents were concerned that contractors would cherry pick the people easiest to help at the expense of the most disadvantaged groups.

*“There are references in the document to providers of support being paid according to the numbers of people they support to gain employment. In terms of disability this inevitably leads to the concern that providers will “cherry pick” and assist those who it will be easy to find employment for. There must be some recognition through some calculation of “added value” for those providers who work with people with more complex needs and the progression those people towards or into employment.”*

Individual

*“It is believed that large contracts will enable large providers to cherry pick the easy hits – we need to move away from this.”*

Halton Borough Council

### **How the Government is taking this forward**

- The *DWP Commissioning Strategy – interim report* was published on 27 November 2007 and has been received positively across the sector. Larger providers are particularly supportive of additional flexibility and the focus on outcomes for our customers. Smaller providers, who had expressed concern about their position in a restructured market, have welcomed the Department's intent to be active in ensuring that smaller local partners can flourish and develop.
- The Government will undertake a further period of consultation and a final strategy will be published at the end of February 2008. The strategy will drive our approach to commissioning and delivering the flexible New Deal.

## Section 6: Benefit issues

There were no specific proposals on benefit reform in the Green Paper, but many respondents commented on it.

### What you said

A strong theme was the complexity of the benefits system, which was seen by many as a barrier to moving into and staying in employment. Some respondents said they would support the introduction of a single benefit for working age people.

*“The current system is complex and creates false distinctions between claimants, which in some cases only helps to entrench their out of work status.”*

British Chambers of Commerce

*“The introduction of a single benefit for working age people will help deliver more flexible support for welfare to work clients and will be complementary to the Flexible New Deal...will send out a message to all claimants that work is the best route out of poverty and, for many more disadvantaged clients, can form part of their recovery process.”*

Employment Related Services Association

The structure of support for people moving into work was seen as a particular issue.

*“The complexity of benefits and financial support mechanisms for those in work still lead to many of those in the benefits system wrongly believing that they will be worse off if they take work.”*

PS Plus

*“Other major barriers to work include:*

- *Housing costs – whether the cliff edge loss of mortgage interest or the steep tapers in Housing/Council Tax Benefits. Marginal tax rates close to or over 100% should be as unacceptable for poorer citizens as it is for richer ones.*
- *Tax credits – complications, error, confusion, the HMRC culture and ultimately the unpredictability of payments or the fear of demands for repayment can be barriers to take-up and their effectiveness in support for work.*
- *Loss of free school meals – a big additional cost which can adversely affect child health, parental income and the funding of local authority services (which might otherwise be available to support lone parents into work).”*

National Association of Welfare Rights Advisers

### **How the Government is taking this forward**

- The Government continues to simplify the system wherever possible and intends to reform current working age benefits in accordance with clear principles and guided by the model of a single system.
- The Government will be introducing a new credit which will do more to ensure that customers will be better off in work.

## Section 7: Next steps

### Our commitment to working together

Much remains to be done in the development and delivery of these proposals. We are all motivated to implement a system that works, and we will continue to work closely with stakeholders on an ongoing basis to ensure that the proposals deliver the outcomes we want for those most disadvantaged in the labour market.

For example, a further consultation exercise will take place on whether the Skills Health Check for lone parents should be mandatory, and consultation has already begun on the commissioning strategy.

### Legislation

Some of the proposals in this document require secondary legislation to implement, particularly those for lone parents. We will discuss with lone parent groups how best to develop the regulations and guidance around the provisions, and draft regulations will also be referred to the Social Security Advisory Committee, the main UK advisory body on social security matters, for their consideration and recommendations.

Further detail on the timetable for implementation can be found in **Annex B**.



## The organisations that responded to the Green Paper consultation

The following organisations provided responses to the consultation:

157 Group	Carter & Carter Group PLC
4Children	Centrepoint
Acceptable Enterprises (Larne) Ltd	Chartered Institute of Personnel and Development
ACEVO	Chasing Rainbows
Action for Home Education	CHESS
Adam Smith Institute	Child Poverty Action Group
Advice NI	Children's Rights Alliance for England
Age Concern	Citizens Advice
Association of Charity Officers	Citizens Advice Scotland
Avanta	City & Guilds
Barnardo's	City and County of Swansea
Barnsley Metropolitan Borough Council	Commission for the Compact
Beginnings	Community Links
Birmingham City Council	Confederation of British Industry
Brain and Spinal Injury Centre	Connexions Kent and Medway
Bristol Council Welfare Rights Service	Connexions Tyne and Wear, Gateshead
British Association for Supported Employment	Contact a Family
British Chambers of Commerce	CraigOwl Communities
British Youth Council	CREATE Consortium
Bury Employment Support and Training	Crisis
Capital City Partnership, Edinburgh	Daycare Trust
Carers UK	Derbyshire Association for the Blind

Derbyshire County Council	Granton Information Centre
Disability Agenda Scotland	Halton Borough Council
Disability Alliance	Innovative Enterprise Action
Disability Employment Advisory Committee	Kent County Council
Disability Group, Education Otherwise	Lancashire County Council's Adult and Community Services Directorate
Dundee Partnership	Launchpad Training & Enterprise
Durham County Council	Learning and Skills Council
East Ayrshire Childcare Partnership	Leicestershire County Council
East London City Strategy Pathfinder	Leonard Cheshire Disability
East Locality Social Firm, Glasgow	LinksUK
Education Otherwise	London Borough of Greenwich
Employability Forum	London Borough of Haringey
Employers' Forum on Disability	London Borough of Hounslow
Employment Related Services Association	London Borough of Lambeth
ENABLE Scotland	London Borough of Newham
Equal Access	London Borough of Wandsworth
Equality and Human Rights Commission	London Development Agency
Fairbridge	Low Incomes Tax Reform Group (of the Chartered Institute of Taxation)
Family and Parenting Institute	Macmillan Cancer Support
Family Welfare Association	Make Your Mark
Forth Sector	Manchester Enterprises
Foyer Federation	MAXIMUS
Gateshead Council	Mayor of London
Glasgow City Council	Mencap
Glasgow Works	Mentorme

Middlesbrough Council's Local Employment Initiatives Team	PRIME (the Prince's Initiative for Mature Enterprise)
Mind	Prospects Services Ltd
Mind in Croydon	PS Plus
Nacro	Public and Commercial Services Union
National Association of Welfare Rights Advisers	Quarriers
National Autistic Society	Rag Tag 'n' Textile
National Children's Bureau	Recruitment and Employment Confederation
National Delivery Group for Workforce Plus: the Employability Framework for Scotland	Reform
National Institute of Careers Education and Counselling	Refuge
National Social Inclusion Programme	Refugee Council
National Union of Students	Remploy
NCVYS	Rethink
Netmums	Richmond Fellowship
New Dimensions Group	RL Glasspool Charity Trust
New Economics Foundation	RNID
North Ayrshire Council	Rotherham Welfare Rights Service
Northern Housing Consortium	Rotherham Women's Network
Northwest Development Agency	Rotherham Women's Refuge
Off the Streets and into Work	Routes to Inclusion Group
One Parent Families Scotland	Royal British Legion
One Parent Families Gingerbread	Royal British Legion Industries
Pluss	Royal College of Psychiatrists
Plymouth & District Mind Association	Royal National Institute of Blind People
Policy Studies Institute	Salford City Council
	Save the Children

Schoolhouse Home Education Association

Scotland's Trade Union Centre

Scottish Campaign on Welfare Reform

Scottish Council for Single Homeless and Scottish Homelessness Employability Network

Scottish Council on Deafness

Scottish Enterprise

Single Parent Action Network

Skill: National Bureau for Students with Disabilities

Skillsmart Retail Limited

Slivers of Time

Social Enterprise Coalition

Social Firms Scotland

Social Firms UK

Social Security Advisory Committee

Solstice Nurseries

St. Mungos

The Age and Employment Network

The Association of Directors of Children's Services

The bread maker

The Fostering Network

The National Youth Agency

The Papworth Trust

The Prince's Trust

The Sainsbury Centre for Mental Health

The Shaw Trust

The Wise Group

Tomorrows People

Trades Union Congress

Transition Information Network

Travel Matters Enterprises Ltd

Turning Point

Tyne and Wear City Region Employment Consortium

Ufi Ltd

Unite – the Union, T&G Section

Weavers Café

Welfare Rights Advisers Cymru

Welsh Language Board

Wheatsheaf Trust

Whitehouse Enterprises

Wirral Metropolitan Borough Council

Women Like Us

Work Directions

Working Families

Working Links

Wycombe District Council

Youth Access

YWCA



**Annex B**

**Milestones**

## Annex B – Milestones

### Key:

<b>aacs</b>	adult advancement and careers service
<b>BERR</b>	Department for Business, Enterprise and Regulatory Reform
<b>CLG</b>	Communities and Local Government
<b>DCSF</b>	Department for Children, Schools and Families
<b>DH</b>	Department of Health
<b>DIUS</b>	Department for Innovations, Universities and Skills
<b>DWP</b>	Department for Work and Pensions
<b>JCP</b>	Jobcentre Plus
<b>LSC</b>	Learning and Skills Council

Action	Owner	Timing
<b>Parents</b>		
Consultation on whether the Skills Health Check should be mandatory for lone parents	JCP, DWP, DIUS	Early 2008
Review of how to extend the right to request flexible working to parents of older children	BERR	Spring 2008
Introduce group seminars for lone parents nationally	JCP, DWP	April 2008
Jobcentre Plus will aim, where possible, to guarantee lone parents who are willing and able to work a job interview with an employer	JCP, DWP	April 2008
Support and guidance from a personal adviser available for all lone parents who have moved into work	JCP, DWP	April 2008
National rollout of the In Work Emergency Discretion Fund	JCP, DWP	April 2008
Pilot of the provision of upfront childcare costs in London	JCP, DWP	April 2008
Extend In Work Credit to all lone parents	JCP, DWP	April 2008
Pilot of In Work Credit and retention package for lone parents	JCP, DWP	April 2008
Legal duty on local authorities in England and Wales to secure sufficient childcare to meet the needs of their local communities, in particular those on low incomes and with disabled children, takes effect	DCSF, local authorities	April 2008

Action	Owner	Timing
New Deal for Partners strengthened by increasing number of Work Focused Interviews	JCP, DWP	April 2008
Introduce quarterly Work Focused Interviews for lone parents in the last year before their child reaches the age where they are no longer entitled to Income Support	JCP, DWP	From October 2008
Lone parents with a youngest child aged 12 or over will no longer be entitled to Income Support solely on the grounds of being a lone parent	JCP, DWP	October 2008
Extend Work Trials for up to six weeks for those taking part in the New Deal for Lone Parents	JCP, DWP	Late 2008
Child maintenance disregard in main income-related benefits to rise to £20 per week	DWP	By end 2008
Lone parents with a youngest child aged 10 or over will no longer be entitled to Income Support solely on the grounds of being a lone parent	JCP, DWP	October 2009
Skills screen for all new lone parent Income Support claimants as part of Work Focused Interview, and encourage attendance at full Skills Health Check	JCP, DWP, DIUS, aacs	2009-11
Child maintenance disregard in main income-related benefits to rise to £40 per week	DWP	From April 2010
Lone parents with a youngest child aged seven or over will no longer be entitled to Income Support solely on the grounds of being a lone parent	JCP, DWP	October 2010
Every school in England to be an extended school	DCSF	2010
<b>Jobseekers</b>		
Back to Work Seminar pilots	JCP, DWP	Early 2008
Flexible New Deal procurement activity begins	DWP	Spring 2008
Pilot a better off in work credit	JCP, DWP	October 2008
Contracts awarded and contract start-up activity	DWP and contractors	Early spring 2009
Changes by Jobcentre Plus to implement new Jobseeker's Allowance regime	JCP	April 2009



Action	Owner	Timing
First customers referred to contracted flexible New Deal	JCP, DWP, contractors	October 2009
Potential extension of a better off in work credit	JCP, DWP	2009
Skills screen for all new Jobseeker's Allowance customers	JCP, DWP	2009-10
In trial areas, pilot mandatory Skills Health Checks for long-term Jobseeker's Allowance customers	JCP, DWP, DIUS, aacs	2009-10
Training allowances for long-term Jobseeker's Allowance customers to attend intensive employability focused training of up to eight weeks	JCP, DWP	2009-10
Pilot mandatory basic skills and job-focused training courses for Jobseeker's Allowance customers who have been on benefit for six months	JCP, DWP, DIUS, LSC	2009-10
<b>Disabled people and people with health conditions</b>		
Publication of the review of the health of Britain's working age population led by the National Director for Health and Work, Dame Carol Black	DWP, DH	Early 2008
Pathways to Work available across Britain to anyone on incapacity benefits	JCP, DWP	April 2008
Return to Work Credit of £40 per week tax free for a year available to everyone eligible who moves into work	JCP, DWP	April 2008
Introduction of the Employment and Support Allowance	JCP, DWP	October 2008
Introduction of mandatory Pathways to Work interviews and the new Work Capability Assessment for existing Incapacity Benefit customers who are under 25	JCP, DWP	2009
Remove Housing Benefit learning restrictions for short-term Incapacity Benefit customers to allow them to study full time	JCP, DWP	2009

Action	Owner	Timing
Skills screen for Employment and Support Allowance customers soon after the start of claim and, where appropriate, a mandatory Skills Health Check at a later point in claim	JCP, DWP	2009-11
<b>Young people not in work, education or training</b>		
Extend early entry to the New Deal for 18 year olds with a previous history of not being in work, education or training on a voluntary basis	JCP, DWP, DCSF	April 2008
Extend a mandatory early entry to the flexible New Deal for 18 year olds who have not been in work, education or training for six months	JCP, DWP, DCSF	April 2009
<b>Commissioning and Local Employment Partnerships</b>		
Publish DWP commissioning strategy	DWP	February 2008
Pilots to test enhancing links between housing organisations and Jobcentre Plus services	DWP, JCP, CLG	2008
The new Working Neighbourhoods Fund, jointly sponsored by DWP and CLG, will help to focus support and encourage enterprise in areas with high unemployment	DWP, CLG	2008-11
Local Employment Partnerships to help 250,000 people into work	DWP, LEP partners	End of 2010
<b>Benefit reform</b>		
Publish further details of our approach to benefit reform	DWP	2008
<b>Older workers</b>		
Review of default retirement age	DWP, BERR	2011
<b>Integrating Employment and Skills</b>		
UK Commission for Employment and Skills operational	DIUS, DWP, working with Devolved Administrations	April 2008

Action	Owner	Timing
Trial aspects of an integrated employment and skills service, including: new screening process for literacy, numeracy, language and employability skills; new adult advancement and careers service; Skills Health Check; and Skills Accounts for benefit customers	JPC, DWP, LSC, DIUS	2008-09
Suite of robust operational targets for JCP and LSC, to underpin the shared DWP/DIUS objective of delivering sustainable employment and progression	JPC, DWP, LSC, DIUS	2009
New adult advancement and careers service fully operational	DIUS, DWP	2010-11
Integrated employment and skills system fully operational	JCP, DWP, LSC, DIUS	2010-11



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