

## Appendix B – Government response to the Gregg Review

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

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

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

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

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

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

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

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

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

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

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

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

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

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