



Chapter 4

Personalised conditionality and support – our response to the Gregg Review

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Summary

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

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

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

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

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

Background

- 4.1 These are difficult times for the global economy, which has been hit by shocks of an unprecedented size and nature. Output has fallen in countries across the world, including the UK. The claimant count is rising and the number of people in employment is falling.
- 4.2 The Department for Work and Pensions and Jobcentre Plus are focused on helping those who have lost their jobs to make a swift return to work. Despite a tightening labour market, a large number of job vacancies remain available. Around 220,000 people have moved off Jobseeker's Allowance alone in each of the last two months.
- 4.3 The welfare-to-work support, backed by a framework of conditionality²¹ built up over the last 15 years (for job seekers, lone parents, and disabled people or people with a health condition) has proved effective in moving people back to work. These policies must be kept in place to make sure that we do not, as in the last two recessions, condemn tens of thousands of people to virtually permanent inactivity. Many people affected by these past mistakes are still paying the consequences today, through poor health and low incomes.
- 4.4 The Government wants to build on the real strengths of the current system and go further in helping people get back to work. This will help people now and ensure the country is ready to take full advantage when our job market strengthens. This requires a new, more progressive system of conditionality and improved support for everyone of working age.

Box 4.1: Terms of reference of the Gregg Review:

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

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

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

The Personalised Conditionality and Support Review

- 4.5 Professor Gregg looked closely at the current requirements that apply to people on:
- Jobseeker's Allowance – where there is a requirement to be actively seeking and available for work and where a New Deal personal adviser and programme support is available, but normally only if a person has been unable to find a job after a specific period; and
 - Income Support and the Employment and Support Allowance – where lone parents, disabled people and people with a health condition do not face Jobseeker's Allowance-style requirements, but are required to participate in a one-off series of Work Focused Interviews, where they are encouraged to join welfare-to-work programmes (such as the New Deal for Lone Parents and the Choices package of the Pathways to Work programme) on a voluntary basis. These are available to join from around the outset of a claim.
- 4.6 He found that the current regimes, which apply to both sets of claimants, have been effective in helping more people off benefit and into work. The job seekers regime has been highly effective in reducing the numbers of benefit claimants and the Work Focused Interview regime has also had a lot of success, particularly for those closer to the labour market. However, the Review found that there are a number of areas where the current system can be improved as set out in Box 4.2:

Box 4.2: Areas for improvement identified by the Gregg Review

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

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

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

A vision for personalised conditionality and support

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

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

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

Achieving the vision – realistic expectations, personalised help

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

Box 4.3: The two conditionality groups

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

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

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

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

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

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

The 'Work-Ready' group

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

The 'Progression to Work' group

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

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

Box 4.4: The Progression to Work group

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

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

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

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

Work-related activity

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

Box 4.5: What constitutes work-related activity?

Any activities a person undertakes to:

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

Action planning for the 'Progression to Work' group

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

Following adviser directions

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

Other aspects of the Gregg Review

Sanctions

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

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

Adviser discretion

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

Working with employers

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

Conclusion: implementing the recommendations of the Review

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