



Chapter 2

An obligation to work

Chapter two – An obligation to work

Summary

Our vision is a welfare state where no one is written off and everyone is expected to contribute. We want to do more to prevent people from drifting into long-term unemployment or inactivity and becoming detached from the labour market.

This chapter sets out the next steps we will take so that people do not become locked into long-term dependency on benefits. Our proposals include:

- toughening the Jobseeker's Allowance (JSA) sanctions regime, by introducing automatic benefit sanctions for people failing to attend a mandatory interview without good cause and new rules that would tackle violent behaviour as it undermines everyone's efforts to seek and sustain employment;
- taking and testing powers to require long-term unemployed people and those not participating in back-to-work support to engage in a programme of full-time, community-based work experience in order to improve their employability skills and build up their work habits;
- expecting problem drug users on benefits to take appropriate steps – such as drug treatment or employment provision – that support a return to work;
- new measures on skills, including piloting mandating jobseekers, lone parents and people on incapacity benefits, to train; and pilots for lone parents with younger children to undertake agreed skills-related activity to support their path into work, in return for increased benefit payments.

The support available will help to break down the barriers that prevent many people from fulfilling their potential. However, we are clear that individuals themselves need to meet their responsibility to make the best of these opportunities.

These reforms will go further in shaping an active, work-focused welfare state, with increased support and higher expectations in return. The approach is central to – and will take us a long way towards – achieving our long-term ambition of an 80 per cent employment rate.

continued

Our reforms take their inspiration from effective welfare systems in other countries, such as in Denmark and the Netherlands, which have mutual obligations at their heart. These systems rest on a fair deal between citizen and State, where people claiming benefits are offered personalised support, including work experience to improve their employability and work habits, backed up by a strong requirement to participate.

Tackling inactivity and long-term benefit dependency

- 2.1 The Government's priority in 1997 was to tackle long-term unemployment, especially among young people aged 18–24. This approach was gradually expanded to other age groups and types of claimant, from lone parents to disabled people, as described in **Box 2.1**.

Box 2.1: Labour market focus of benefits system has changed for the better

The disconnect between benefits and the labour market focus reached its nadir in the 1980s when, between 1982 and 1986, it was no longer necessary for unemployed claimants to visit jobcentres. Analysis shows that unemployment grew as a consequence of reduced job search requirements. The introduction of JSA in October 1996 brought greater conditionality to the payment of benefits to unemployed people.

Since 1997, we have incrementally introduced a series of measures, building on evidence of what works, to extend and deepen conditionality principles to people receiving out-of-work benefits. We began by tackling the blight of long-term unemployment. New Deal for Young People (NDYP) was introduced in 1998 and the conditions applied to New Deal for 25 Plus (ND25+) were strengthened in 2001.

These further increased conditionality for long-term jobseekers by requiring them to take up offers of extra help in return for financial support. In 2001, we introduced Work Focused Interviews for some lone parents, gradually extended these to all lone parents by 2004 and introduced mandatory action plans in 2005. From 2001, we also began applying conditionality to new Incapacity Benefit (IB) claimants and we have again built this up over time, together with increased support available through Pathways to Work.

- 2.2 These reforms have helped raise the level of employment by 3.1 million since 1997 and lower the number of people on key out-of-work benefits by a million. They also contributed to the virtual eradication of long-term (over 12 months) youth claimant unemployment and the reduction of long-term adult claimant unemployment to close to its lowest level for 30 years.
- 2.3 The New Deals achieved this success through more intensive support, backed by clear conditionality linked to benefit sanctions. However, a programme now ten years old inevitably needs to make changes to ensure it is ready for the next decade; the rigid distinction between programmes on the grounds of age was no longer appropriate. The New Deals needed to become more flexible and personalised as outlined in last year's consultation *In work, better off* and the Government's response *Ready for Work*.¹¹

A more personalised approach

- 2.4 We are already modernising JSA and the current mandatory New Deals to give people more support to help them get back to work from 2009. We are making changes to JSA to reduce the number of people who become long-term claimants by increasing both support and conditionality in a series of easy-to-understand stages of job search as the duration of a person's claim lengthens.
- 2.5 As part of the new claims interview, all jobseekers will be screened to identify whether they have skills needs and will be referred for a skills health check with the adult advancement and careers service, where appropriate. In the first few weeks of self-managed job search we will embed this approach by adding a mandatory back-to-work group session from around week six of a JSA claim to reinforce the importance of work and encourage people to use all the help that Jobcentre Plus offers.
- 2.6 Those still in receipt of benefit after three months will enter a more demanding regime – the 'directed job search stage'. They will be required to widen the scope of jobs they look for and will be submitted for any suitable employment. To increase this focus on finding work, they will be required to sign on every week, rather than every fortnight, for up to six weeks.
- 2.7 After six months, around 80 per cent of people claiming JSA have left the benefit. At this stage, called supported job search, those still claiming JSA will be allocated to a particular personal adviser. They will, in any case, be referred to suitable jobs regularly at the risk of a 26-week benefit sanction if they don't attend or take a job, if offered. A challenging action plan will be agreed, including a timetable for specific activities to improve employability and then find work.

¹¹ Department for Work and Pensions, 2007, *In work, better off: next steps to full employment*, Cm 7130; Department for Work and Pensions, 2007, *Ready for work: full employment in our generation*, Cm 7290

- 2.8 There will be an additional two-week benefit sanction for failure to comply with agreed activity in the action plan, such as the occupational skills assessment, seeking advice about debt or housing, or undertaking a work trial. We will also check on the claimant's progress with action to improve their basic skills. If necessary they can be directed (or risk losing benefit) to attend a skills health check at the new adult careers and advancement service (or its equivalents in Scotland and Wales). In this stage of more intensive contact between adviser and customer, there is scope for additional flexibility to help deliver more job outcomes. This autumn, in Derbyshire and South West Wales, we will trial a more flexible approach for greater discretion so that advisers can focus their time and support where it can have maximum impact, in a more personalised service.
- 2.9 We are going to fast-track directly to this supported search stage, people who have a recent history of long-term unemployment and 18-year-olds who have spent the previous six months out of education, training or employment. They will be mandated to this stage. Others who are at a disadvantage in the labour market can volunteer to be fast-tracked to this stage, subject to capacity. These groups include ex-offenders, residential care leavers and drug or alcohol misusers.
- 2.10 After a year, about nine out of ten claimants have left JSA. For those who have not, we will, in future, refer them to an external provider for further, specialist help through the Flexible New Deal. Evidence from the Employment Zones has demonstrated the effectiveness of a more tailored approach to support. People who move across to an external provider will remain on JSA and will continue to attend a Jobcentre Plus office every fortnight. Participation with an external provider and compliance with the agreed action plan will be mandatory. Non-compliance can lead to loss of benefit for increasing periods of time, up to 26 weeks or more if non-compliance continues.
- 2.11 As part of these improvements, starting in April 2009, we want to look at other ways that we can strengthen requirements the longer someone is claiming.

A stronger sanctions regime

- 2.12 Benefit sanctions have been successful for the majority of jobseekers. Of those claimants who are sanctioned, most (73 per cent) are only sanctioned once – claimants say they would not repeat the behaviour that led to the sanction. Research shows that most jobseekers agree with this approach – even 40 per cent of those who are sanctioned think their own sanction was fair. We also know that around half of all jobseekers say they are more likely to look for work because of the threat of sanctions.

- 2.13 We want to make it clear that everyone has an obligation to take up the support that is now on offer, and so we will further improve the conditionality regime.
- Jobcentre Plus is looking at how to speed up and improve the effectiveness and quality of its decision-making processes. Jobcentre Plus will also explore ways of improving communications to jobseekers to make sure they are fully aware of their responsibilities and the circumstances in which they could incur a benefit sanction, as well as ensuring decisions are communicated quickly and accurately when they are made.
 - A significant minority fail, repeatedly, to attend appointments and interviews with Jobcentre Plus advisers or to sign on in time. It is clear that for them, the current penalty is not effective in changing behaviour. We propose that someone failing to attend a fortnightly job review or appointment without good cause would automatically lose that week's benefit, unless they could demonstrate there had been a strong reason, such as an emergency, that prevented them from attending.
 - We want to look at escalating sanctions so that a second failure to attend or another failure to comply with work preparation activity without good cause, would mean the loss of two weeks' benefit.
 - We believe the use of actual violence or the threat of violence by a small, but very disruptive, number of claimants towards staff in Jobcentre Plus offices and organisations delivering services, is both unacceptable and undermines everyone's efforts to seek and enter sustained employment. We will also explore imposing a similar sanction in these instances.
- 2.14 Jobcentre Plus's back-to-work support is world class. We want to ensure it remains at the cutting edge. To that end, we will commission a review of conditionality systems in other countries and explore how personalised conditionality can best be designed to influence behaviour. As we have with the introduction of automatic enrolment into pensions, we will study how behavioural economics can be applied to welfare.

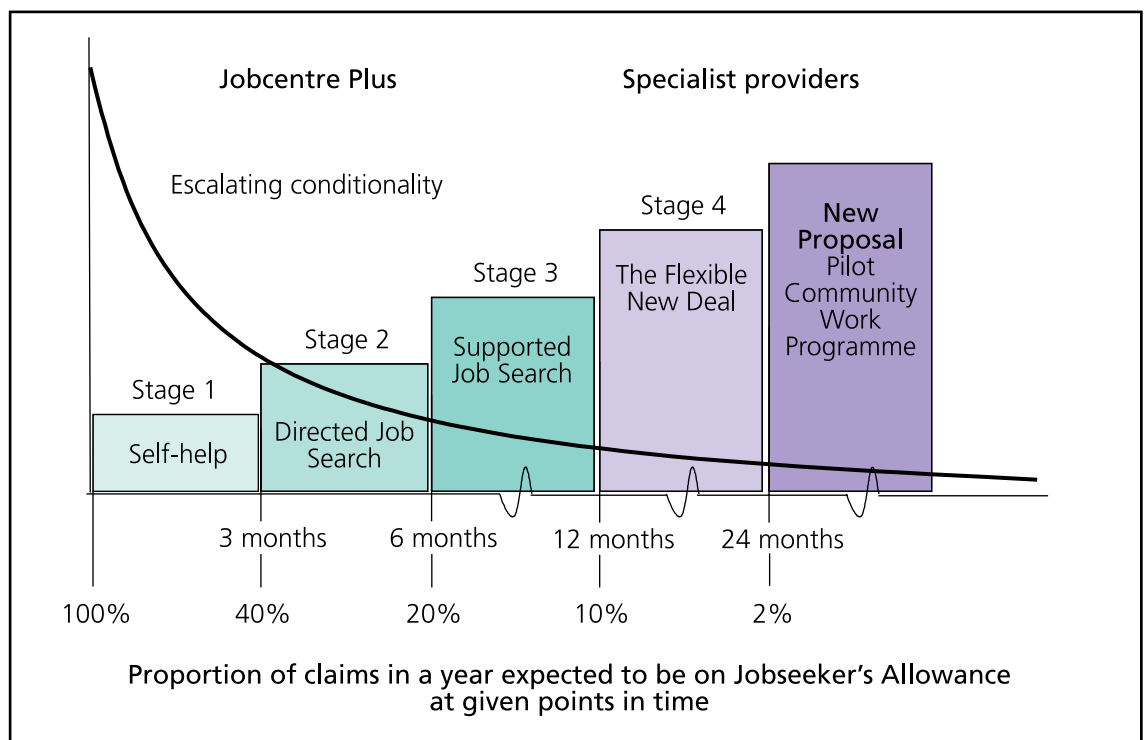
'Work for your benefit'

- 2.15 When we announced our plans for the Flexible New Deal in last December's Command Paper, *Ready for work*, we also said we would look at what expectations we should have of those who remain unemployed at the end of the period with providers.¹² This group of people would not have been in work for some time and may face considerable barriers before they can move into employment. Similarly, we cannot ignore a small number who wish to avoid moving into work or are working and fraudulently claiming.
- 2.16 We want to make sure that we continue to increase what we expect of people the longer they've been on benefit. We have already announced that everyone in the Flexible New Deal will be required to work or undertake work-related activity for at least four weeks; if the customer's action plan requires it, the full-time activity can last as long as needed in the duration of the Flexible New Deal, so long as it remains relevant and in preparation for the goal of sustained work.
- 2.17 We now plan to test extending this approach of working for benefits to long-term unemployed people. In the first place we intend to introduce a review by Jobcentre Plus of every case in which someone reaches the end of the Flexible New Deal without work. This will involve the provider in this review of progress and activity during this time. We want to ensure that we have a clear idea of the barriers and circumstances in which someone would have been continuously unemployed and on benefit for perhaps two years and find out why JSA and the Flexible New Deal does not work for a small minority of unemployed people. The review may find that a few require different support or another benefit to which they will be directed by Jobcentre Plus at this stage. For others who continue to meet the labour market conditions, JSA will remain appropriate but with a stronger degree of conditionality so that they return to patterns and habits of regular work.
- 2.18 We believe there is real value in long-term unemployed people working full-time to develop their work habits and employability. So we will contract with public, private and voluntary providers to test out a number of models of mandatory, full-time activity for those who have not found work at the end of the Flexible New Deal process. We also want to be clear that community work is not about introducing compulsory volunteering or forcing people to volunteer. Instead we want to send out a clear message that people capable of work but who have not found a job by this stage will be required to work full-time or undertake full-time, work-related activity in return for their benefits.

¹² Department for Work and Pensions, 2007, *Ready for work: full employment in our generation*, Cm 7290

2.19 We plan to run pilots in a number of Jobcentre Plus districts from 2010, requiring participation by those who finish their period with a flexible New Deal provider without finding or having had recent experience of work. We recognise that creating opportunities for community work will not be cost free. We want to seek views on the precise content of these programmes, but they will involve individuals engaging in a variety of full-time activities of value to themselves, their community and prospective employers. **Chart 2.1** illustrates the JSA regime together with the addition of this new pilot. In piloting a new 'work for your benefit' programme for long-term unemployed people, the Government wants to learn from international best practice, as discussed in **Box 2.2**.

Chart 2.1: The Jobseeker's Allowance regime and a new Work for your benefit programme pilot



- 2.20 We will also explore giving advisers the power to require full-time activity of claimants at any stage of their claim if they believe it would be of benefit. We will consult on when this should be used, but would propose to focus on those who are repeatedly claiming JSA.
- 2.21 We will also make it clear that people in the pilot areas cannot avoid this full-time work experience by leaving benefit and then reclaiming in an attempt to rejoin JSA at an earlier stage with weaker requirements on them. In these circumstances, they could only continue to receive benefits if they return immediately to the 'work for your benefit' programme.

Box 2.2: Community work experience – learning from best practice

We want to learn from experience elsewhere in the world. In Canada, the USA, the Netherlands, Denmark and Australia mandatory work experience in the community is already an established part of welfare programmes.

We have been looking at the current evidence from other countries.*

There is evidence that full-time activity leads to improved job outcomes: between a half and two-thirds of leavers found unsubsidised work at some point in the three years after leaving. Australia's 'Work for the Dole' had a 7 per cent net increase of participants going into jobs compared to non-participants.

Insisting on job search as part of a package is more likely to tackle the problem of some customers drifting on the programme without ever finding work in the open labour market. Some evidence shows that results are best when linked to tackling other barriers to work, including drug and drink problems and basic employability skills.

* Forthcoming DWP research paper: Crisp R, Fletcher R (2008)

- 2.22 Requiring some people to sign on regularly has been a central, and very effective way of keeping unemployed people focused on job search. As part of our look at what will work better in tackling long-term unemployment, we will consider requiring some people to attend a Jobcentre Plus office to sign daily and a duty to account for their activity to secure work.

Question 1: How long should 'work for your benefit' last at different stages in the claim?

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

Question 3: Is full-time 'work for your benefit' as an alternative to a sanction of loss of benefit for repeated non-compliance with work search requirements an effective option for some jobseekers? How should it be targeted?

Fraud

- 2.23 We have a comprehensive and successful strategy for tackling benefit fraud based on prevention, detection and deterrence. Benefit fraud is now at the lowest level ever recorded, with our latest estimate showing that by September 2007, we had reduced fraud across all benefits to 0.6 per cent of benefit spend, that is just over half a penny of every £1 of benefit expenditure.

- 2.24 International benchmarking by the National Audit Office (NAO) shows us to be at the forefront of understanding, measuring and responding to benefit fraud and our expertise is widely sought by other countries and international organisations. But we are not complacent and continue to seek to identify new ways to tackle fraud, such as Voice Risk Analysis. We are also testing data matching with Credit Reference Agencies to identify previously undetected cases of people claiming separately but living together.
- 2.25 A key aim of our strategy is to deter people from committing benefit fraud in the first place by making the benefit system more active and tougher on those who do not play by the rules. Proposals elsewhere in this Consultation Paper set out plans to review Work Capability Assessments, pilot a 'work for your benefit' scheme, increase conditionality and launch a review of the sanctions regime.

Current criminal sanctions regime

- 2.26 As well as recovering any overpayment resulting from fraud we have in place a range of criminal sanctions to dissuade people from committing benefit fraud. Since 1999 cautions and administrative penalties have been offered to customers for less serious cases of benefit fraud, with criminal prosecution pursued in more serious cases. We also have a policy of referring all suitable cases for financial investigations under the Proceeds of Crime Act (POCA) with a view to applying to the courts for restraint and/or confiscation of identified assets (£6.6 million in assets were seized in 2006–07). For repeat offenders, Two Strikes is a fixed 13-week benefit disqualification period on conviction for benefit fraud in two separate proceedings within a five-year period.
- 2.27 Benefit fraud is theft of honest taxpayers' money. We are considering whether there are further sanctions that are appropriate for those people who have chosen to abuse a system that is there to support those in need. We intend to ensure that we have effective deterrents and punishments in place. Views are, therefore, invited on whether we should develop our sanctions regime further, with a view to increasing the deterrent effect by reducing or withdrawing entitlement to benefit after a first offence.

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

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

A new regime for problem drug users – breaking the cycle of dependency

- 2.28 The social and economic cost of drug misuse is unacceptably high. We estimate that up to 240,000 people in England are in receipt of out-of-work benefits and are dependent on opiates or crack cocaine ('problem drug users').¹³ This is around three-quarters of the estimated total number of people who are dependent on these drugs. Drug addiction is not, in itself, grounds for claiming benefit, but it is clear that many people who are dependent on benefit are also dependent on drugs.
- 2.29 The Government published its ten-year Drug Strategy for England in February this year.¹⁴ It describes the costs of problem drug use to the individual, families and society. Drug use causes short- and long-term damage to health, particularly mental health. It causes crime and family breakdown and it contributes to social exclusion.
- 2.30 The Drug Strategy sets out a number of key objectives including:
- targeting those most at risk;
 - improving the quality and effectiveness of treatment;
 - a wider use of new treatment approaches; and
 - a radical new focus on services to help problem drug users to re-establish their lives.
- 2.31 The Department of Health, Department for Work and Pensions and the Department for Communities and Local Government are taking the lead on developing this new focus on reintegration. Helping drug users into work has a major role to play. It not only reduces the risks of poverty and social exclusion and improves health but can be critically important, in itself, in helping individuals to recover from drug dependency. This underlines the importance of taking an integrated approach to drug treatment, employment support and the range of barriers that recovering drug users may face.

¹³ Hay G and Bauld L, *Population estimates of problematic drug users in England who access DWP benefits: A feasibility study*, Department for Work and Pensions Working Paper No 46

¹⁴ Home Office, 2008, *Drugs: protecting families and communities – The 2008 drug strategy*

Case study – Drug Action Teams – joint working in Merseyside

Jobcentre Plus has been working closely with Sefton Drug Action Team (DAT) in setting up their 'Move On' project. This project is aimed at people who have just come into treatment and are not yet ready to look for work. It has included setting up a new IT suite alongside a programme based on education opportunities (particularly around 'life skills'), relapse prevention and developing confidence and motivation. A housing officer is linked into the DAT and they are about to employ an employment officer.

Jobcentre Plus has had major involvement with the Wirral Drug and Alcohol Action Team (DAAT) for several years. Through an innovative new 'Train the Trainers' Goals motivation programme, 12 drug workers (including one Jobcentre Plus member of staff) will be working with drugs professionals and Jobcentre Plus to enable better outcomes to help problem drug users recover and work.

In Liverpool, Jobcentre Plus chair the Employment, Training and Education subgroup of the DAAT and at the moment are training frontline drug workers to make them aware of how to engage their clients with the role of employment and training as a tool to aid relapse prevention.

Jobcentre Plus is a full member of all the crime reduction partnerships, Drug Intervention Programme steering groups, treatment groups and Joint Commissioning groups in the five DAT/DAAT areas in the North West, and has participated in contracting rounds for new provision in the areas. This has included initiatives on reducing re-offending as well as drug treatment, housing and alcohol dependency.

- 2.32 The Drug Strategy commits the Government to improving the way that agencies work together to support problem drug users. We will also explore how different funding, commissioning and case management approaches could deliver improved outcomes. This will build on many examples of good practice. Local DATs already bring together treatment services, criminal justice, housing services and employment. Through the Progress2Work scheme, we invest £20 million a year in specialist, integrated employment support benefiting over 10,000 recovering drug users.
- 2.33 However, it is clear that we must go further. Up to 100,000 problem drug users on benefits are not in drug treatment. So the Drug Strategy makes a commitment that the Government will use Jobseeker Directions and Work Focused Interviews to refer problem drug users to a drug treatment provider. Failure to meet that provider could result in a benefit sanction. Taxpayers cannot be expected to support a drug-dependent lifestyle, so where drug treatment is available and considered appropriate, then there should be an obligation that individuals will take it up.

The Drug Strategy goes on to state:

"...we will explore the case for introducing a new regime for drug misusers which provides more tailored and personalised support than is currently provided by the existing Incapacity Benefit or Jobseeker's Allowance regimes. In return for benefit payments, claimants will have a responsibility to move successfully through treatment and into employment."

- 2.34 This Consultation Paper sets out our proposals for this new regime for problem drug users. The first priority is to ensure that we can effectively identify problem drug users in the benefits system. At the moment, this is not systematically recorded.
- 2.35 Only 400 people on JSA are recorded as having a drug problem (less than 0.05 per cent of the total) and around 2 per cent of those on incapacity benefits. This compares with estimates that 7 per cent of all JSA and incapacity benefits recipients are problem drug users. We cannot help people through drug treatment programmes if we don't know who needs them.
- 2.36 We need to develop a new approach to identification – based on using interventions in the new Employment and Support Allowance (ESA) and Jobseeker's Allowance (JSA) – alongside information shared with the criminal justice system, and balancing this with incentives to declare problem drug use and accept treatment.
- 2.37 So for those claiming incapacity benefits, we will more systematically build identification of problem drug use into the new claim process for ESA. In JSA, we will strengthen guidance for advisers to help them to identify claimants who may be dependent on heroin or crack cocaine. As set out in the Drug Strategy, those identified will then be required to see a drug treatment provider.
- 2.38 We also propose to legislate to enable us to share information between Jobcentre Plus and the police, probation services and prisons. This will require primary legislation and will need to be in line with our responsibilities on handling personal data – under the Data Protection Act – and on respecting individuals' right to privacy – under the European Convention on Human Rights. We propose to do this in three ways.
- In 23 police authorities, individuals who are arrested for certain offences are tested for heroin or crack and powder cocaine. Those who test positive (there are around 80,000 positive tests a year) are referred for a Required Assessment by a drugs worker, which in nearly half of cases leads to an agreement to engage with treatment and support. We propose that Jobcentre Plus should be told about those attending or refusing to attend their Required Assessment.

- Around 16,000 people a year agree to Drug Rehabilitation Requirements as part of a community sentence in the courts. These include treatment, regular testing and court reviews of progress. We propose that Jobcentre Plus should be told about individuals who agree to these Requirements.
- Up to 100,000 people leave prison and start a benefit claim every year. Estimates of problem drug use vary, but up to 50 per cent of this group could be drug misusers. We will explore options for sharing information between the Prison Service and Jobcentre Plus to enable us to fast-track support for identified problem drug users.

2.39 We also invite views on the merits of changing benefit rules to require all applicants for benefit to declare whether they are addicted to heroin or crack cocaine. This could include bringing in sanctions such as recovering overpayments and investigations for fraud against those who mislead. If we were to take this forward, then those investigations could include information sharing with the police and, in a small number of cases, contracted-out drug testing. There are attractions to this approach but there are also drawbacks. In particular we need to think about the broader impact of this change. For example, 2.5 million people apply for JSA every year, and we estimate that less than half of one per cent of these are problem drug users. This change would take time to implement and would have resource implications.

2.40 However, making the declaration of a drug problem and taking steps to address it as a condition of benefit in certain cases would be consistent with the wider obligations on those in receipt of welfare help. It would send out a clear signal that we believe that drug misuse is a serious cause of worklessness and that individuals have a responsibility to declare it and take steps to overcome it.

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

2.41 Once problem drug use has been identified, those who are not in drug treatment already will be required to see a drug treatment provider. However, we also propose that problem drug users on benefit should be required, where appropriate, to see a specialist employment adviser and to draw up, with their help, a rehabilitation plan. This plan would set out the steps that they will take to stabilise their drug dependency, move towards recovery, tackle the problems they face and get into work.

2.42 This approach will build on our Progress2work programme, which provides specialist support for recovering drug users. Problem drug users are more likely to have health problems, particularly mental health problems, more likely to have basic skills needs, more likely to be vulnerably housed, socially excluded and in debt. So as with Progress2work, the specialist support will need to address these barriers.

- 2.43 In return for this access to drug treatment and specialist employment support, there will be an obligation on individuals to take it up. Failure to do so without good cause would result in a referral back to Jobcentre Plus and a potential benefit sanction. This approach will take account of the range of barriers that many drug-dependent claimants face (often including chronic health conditions).
- 2.44 We also invite views on making changes to the benefit system in order to introduce a 'Treatment Allowance' that would replace normal benefit payments while problem drug users stabilise in treatment. This could be time-limited, for example to only apply whilst an individual stabilises their condition. After this they would be paid benefit in line with JSA and ESA.

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

- 2.45 Employers will have a key role to play in these proposals. As discussed in more detail in paragraphs 2.79 to 2.82, the Government is already working closely with employers to help people move into the labour market, for ex-offenders a necessary step in their integration into society. Through Local Employment Partnerships (LEPs), Jobcentre Plus and its partners strive to understand employers' recruitment requirements and get claimants with disadvantages ready for work. In return, participating employers undertake to give people a fair shot at the job – through a range of measures, including an adjustment to recruitment processes, Work Trials or guaranteed interviews, work placements and mentoring.
- 2.46 We will build on our networks, and the Ministry of Justice's corporate alliance of 100 employers, to ensure their close integration into the Drug Strategy.
- 2.47 These proposals will require careful development in order to establish the most effective ways to identify problem drug users and to target treatment and support. We, therefore, propose testing and evaluating approaches. Based on the evaluation evidence, we will then move towards full rollout. We intend to begin by appointing drug co-ordinators within Jobcentre Plus by the end of 2009, as proposed in the recent Health Inequalities Strategy. This will be funded by the Department of Health and will enable us to better link up treatment provision with employment support.
- 2.48 We will initially focus efforts on those dependent on opiates and crack cocaine. Over time we will consider the case for extending this approach to others – for example, those dependent on cannabis, powder cocaine or dependent on alcohol.

- 2.49 The benefits system applies across Great Britain. However, health services are devolved in Scotland and Wales, while criminal justice is also devolved in Scotland. Many of these proposals will, therefore, only apply in England. We will explore, in consultation with the Scottish Executive and Welsh Assembly Government, if those measures that relate to the benefits system and specialist employment support might be extended to Scotland and Wales, in a way that is consistent with their respective drug and substance misuse strategies.

A work-focused regime for people aged 60 to 65

- 2.50 Since 1997, the employment rate of people aged between 50 and State Pension age – currently 60 for women and 65 for men – has increased by over seven percentage points. This represents an extra 1.4 million people in employment. Currently around 1.3 million people have remained in or returned to work beyond State Pension age, over 500,000 more compared to 1997. Demographic change means that we will be seeing fewer young people coming into the job market in future. So more older people will be needed to fill future vacancies. We also as a society can't afford to write off the skills and experience of older people.
- 2.51 Many of those aged 60 or over who do not have a job would like to work but are concerned that they will be considered too old and do not have the right skills. We are committed to increase their employment opportunities. We want to give these people the same level of support as we provide for younger people. So we have already made it unlawful to discriminate in training, recruitment and employment on grounds of age.
- 2.52 People are no longer considered 'over the hill' at age 60. In the recent publication *Framework for a Fairer Future – the Equality Bill*, we set out our determination to outlaw age discrimination and promote equality for older people.¹⁵ This will build on the existing Age Regulations covering employment and outlaw age discrimination in the provision of goods and services.
- 2.53 As we bring State Pension Age for men and women together between 2010 and 2020, people aged 60 to 64 who are out of work will become eligible for working-age benefits. Under current rules they are not required to attend Work Focused Interviews. We intend to change the law to allow people aged 60 and over access to the additional back to work support offered by a Work Focused Interview.
- 2.54 To help ensure there are jobs for older people, our Age Positive initiative is also promoting the benefits to employers of recruiting, training and retaining older workers who, by 2020, will comprise 30 per cent of the workforce.

¹⁵ Government Equalities Office, 2008, *Framework for a Fairer Future – the Equality Bill*, Cm 7431

Work skills

- 2.55 Without the right skills we cannot compete effectively in the world market. Without the right skills many individuals will not feel the full benefits – to their health, self-esteem and income – of being in work.
- 2.56 In *Opportunity, Employment and Progression*,¹⁶ we announced our intention to increase the requirement for those out of work and claiming benefit to identify and address their skills needs. We built on these proposals in the Command Paper, *Work Skills*,¹⁷ which also gives more details of the support that will be available. *Work Skills* sets out our plans to improve guidance and support to all individuals – whether in or out of work – and to update key training provision so that it is designed around what people really need, and what fits in with their lives. Our plans include:
- a skills health check that will help individuals on benefit assess their skills needs;
 - flexible and personal advice from the adult advancement and careers service – often co-located in Jobcentre Plus offices; and
 - a Skills Account, with direct access to the support and funding the Government provides to help the individual take up training and which they can continue to use as they move into sustainable employment.

Case study – Innovative ideas in Scotland

Such an approach, which supports people in improving their skills, is exemplified in the successful football-based welfare-to-work scheme in Scotland, which started with Celtic and Rangers football clubs. Sixteen clubs, including all 12 Scottish Premier League clubs, are already participating, with more clubs about to join. The clubs make their premises, players and facilities available to support a pre-employment programme, the primary aim of which is to equip people with the skills and abilities necessary to secure suitable, sustainable employment. We intend exploring means of adopting a similar approach to issues of worklessness through football clubs in the English Premier League.

¹⁶ Department for Innovation, Universities and Skills and the Department for Work and Pensions, 2007, *Opportunity, Employment and Progression: making skills work*, Cm 7288

¹⁷ Department for Work and Pensions and the Department for Innovation, Universities and Skills, 2008, *Work Skills*, Cm 7415

- 2.57 We are making training available to help low-skilled individuals get back into work more readily. In return, we believe that individuals should accept more responsibility for helping themselves by taking up these new opportunities. This is why we want to place a duty on people who are out of work to have their skills assessed and test the approach of requiring them to take the training they need to acquire skills. All people on benefits will have a skills screen at the start of their claim. Depending on the benefit being claimed, there will then follow different requirements to identify and address skills needs.

Skills for jobseekers

- 2.58 In *Work Skills* (the skills strategy for England) we made it clear that our expectations of people claiming benefits are changing. We set out our plans to increase the requirement for those claiming JSA to identify and address the skills gaps preventing them from finding work.
- 2.59 People entering stage three of the Flexible New Deal – those who have been receiving benefit for six months or identified by their personal adviser at the start of their award as needing additional support – will be required to do more to improve their skills. From this autumn, we will be piloting the requirement for jobseekers who have not volunteered for a skills health check to take one if their adviser believes this to be necessary. We will also test a requirement for claimants at this stage to attend relevant skills training where this addresses those skills gaps that have been identified as a barrier to starting work.

Skills for those claiming Employment and Support Allowance

- 2.60 Many incapacity benefits claimants also lack the skills they need to return to work. Those who have been out of work may need to retrain for a new job or update their skills to be competitive in their previous field of employment. It is right that we look at ways we can support our claimants to overcome this skills gap.

- 2.61 Where a skills need has been identified as a major barrier to employment, we believe it is important people should work with us to improve their skills. In *Opportunity, Employment and Progression*,¹⁸ we committed to ensuring that every new ESA claimant has a light-touch basic skills screen and, where appropriate, a mandatory skills health check later in their claim. We intend to test this before rolling it out nationally. We are also consulting on whether to require ESA recipients to attend training when they do not do so voluntarily.

Question 8: When is the right time to require ESA claimants to take a skills health check?

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

Skills for lone parents

- 2.62 Helping more lone parents into work will reduce child poverty. From 2010, lone parents whose youngest child is seven or over will, where they can, be required to look for paid work. Those able to work will move onto JSA and be covered by its conditions. This will ensure they get the support they need to help move into employment and provide better life chances for themselves and their families.
- 2.63 To coincide with this change, and using the emerging evidence from the Employment Retention and Advancement (ERA)¹⁹ project, we have introduced a support package of pre-work and in-work measures to help lone parents move into paid work, make work pay, and help sustainability and progression in work. This includes the national rollout of:
- an In-Work Credit of £40 a week (£60 a week in London) to eligible lone parents;
 - an In Work Emergency Discretion Fund to help overcome unexpected financial barriers; and
 - In Work Advisory Support to help resolve any in-work difficulties and promote career progression.

¹⁸ Department for Work and Pensions and the Department for Innovation, Universities and Skills, 2008, *Opportunity, Employment and Progression: making skills work*, Cm 7288

¹⁹ Riccio A *et al.*, 2008, *Implementation and second-year impacts for lone parents in the UK Employment, Retention and Advancement (ERA) demonstration*, Department for Work and Pensions Research Report No 489, Corporate Document Services

Case study – Anita Page

For single Cardiff mum Anita Page, ensuring she could successfully balance work while her son was being properly looked after was a key factor when she approached her local Jobcentre Plus for help.

Anita said:

“My 12 year old son was starting to go to after-school activities. I thought I could be doing something with this spare time – its a really long day when you’re on your own”.

After seeking advice from her adviser at Jobcentre Plus, Anita decided she would take her first step to starting a new career, by joining an IT course.

Her adviser arranged for Anita to attend Skill Build at Act Ltd, where she successfully undertook a key skills and computers course alongside an NVQ in IT. With her newly gained skills, and after a work placement at Schools Assist, she was offered a full-time job in administration.

Anita said:

“I now work for the team that organises the training for teaching assistants. Some of the people starting working were just like me, so I can understand their worries. Working has totally changed my life; I have extra money for me and my son and a better quality of life. But more than that, he is really proud of me!”

- 2.64 We expect the new arrangements for lone parents with older children to lift around 70,000 children out of poverty. However, that leaves around 450,000 lone parents with a child under seven, who often wait until their children are older, to access extra help.
- 2.65 We need to see how we can help lone parents with younger children prepare for a return to employment when appropriate. We want to emphasise that looking for work, when they are in a position to do so, is not only a responsibility but will have positive effects for them and their children. We think that there is a case, when resources allow, for moving all lone parents onto JSA instead of keeping those with young children on Income Support (IS), traditionally an inactive benefit.
- 2.66 Lone parents with younger children would not be required to look for work or take a job until their youngest child is seven, but moving all lone parents who can work, whatever the age of their child, onto JSA would underline the message that we see work as the best way for them to improve their family’s prosperity.

- 2.67 This change would also make things simpler for lone parents by reducing the number of benefits they have to deal with and, as **Chapter 6** explains, would enable JSA to be established as the cornerstone of a simplified benefits system. This would be a modernised and personalised JSA which would provide tailored help as customers' circumstances change.
- 2.68 Those with children aged under seven currently attend regular Work Focused Interviews in order to let them know what opportunities are available. However, whatever decisions are made about the structure of benefits for lone parents, it makes little sense to have such a sharp increase in the expectations on lone parents once their child reaches seven. So we are considering whether we could introduce extra activity, as appropriate, when a lone parent's youngest child becomes five and goes to school full time, so that preparation for work becomes a natural progression rather than a sudden step up.
- 2.69 As such, our proposals for lone parents with a five or six year old are to:
- require lone parents to attend a skills health check when their youngest child reaches five, where the adviser believes this to be necessary and this has not been undertaken voluntarily; and
 - pilot a requirement for lone parents whose youngest child is five or six to attend relevant skills training where this addresses those skills gaps that have been identified by the skills health check as a barrier to starting work. Clearly, there would be safeguards to recognise the caring and family responsibilities of lone parents in accessing such training.
- 2.70 We believe this approach holds out many advantages for lone parents. But to encourage those with children under five to take part in these activities voluntarily at an earlier point in time, we will also pilot a 'skills for work' premium for agreed activity, on top of existing benefit entitlement.
- 2.71 Lone parents would take part in a skills health check and other agreed qualifying activities designed to equip them with the skills they need and to support their path into work. These activities will include specific training and education courses. The Learning and Skills Council offers in England, through the providers it contracts with, a range of free training courses. The 'skills for work' premium will give parents incentives to take up this offer.
- 2.72 We will evaluate the 'skills for work' pilot to shape the development of future policy on the appropriate level and type of skills and work-related activities for lone parents with younger children.

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

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

Improving access to full-time training

- 2.73 Lone parents with younger children and those on IB (and in the future, ESA) can currently train full time without losing these benefits. JSA, however, is currently only paid to people who are both available for and looking for work. In **Chapter 6**, we propose moving, when resources allow, to a model where IS is abolished and JSA forms the main out-of-work benefit for people who can work. JSA is not intended to support full-time education.
- 2.74 This means we would need to introduce more flexibility than now so lone parents with younger children on JSA could continue to access full time training. There are other individuals who need full-time skills training to improve their chances of employment. While there is flexibility under the present arrangements to enable this, we recognise it is not fully understood and have therefore reviewed the 16-hour-rule.
- 2.75 From this autumn, we will begin to introduce changes that mean that the 16 hour study rule in JSA will no longer be a barrier to employment focused training. Those who have been receiving JSA for more than six months – or those whose personal advisers believe need urgent help to update skills – will be able to take part in full-time employment-related training for up to eight weeks while receiving a training allowance. We will ensure that this option to refer claimants to full-time training is well publicised and will encourage Jobcentre Plus personal advisers to use it at a local level. We are also ready to consider requests to extend the eight week limit from the most effective City Strategy Pathfinders, or to look at other innovative proposals.

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

Supporting second-chance learning

- 2.76 Young people who have been in care or are from chaotic family backgrounds often miss out on the full benefits of education first time round. We are determined to give them a second chance.
- 2.77 Those who have suffered disrupted schooling are typically two to three years behind in their education. We propose that they should be able to study full time for A-levels or their equivalent until they are 21, while receiving benefits. Extending the age cut-off (currently 20) for those who qualify for IS (and therefore, Housing Benefit) will enable the majority of them to complete their courses.
- 2.78 This is an inclusive measure which will give vulnerable young people who are motivated to return to education, the chance to do so.

Engaging with employers

- 2.79 LEPs commit employers to consider offering more opportunities to jobless people who might otherwise have been overlooked in the labour market. They are based on a simple 'deal' with employers in which:
- the Government, through Jobcentre Plus and its partners, takes steps to understand employers' requirements and gets disadvantaged people ready for work; and
 - employers with vacancies give disadvantaged people a fair shot at the job – through a range of measures which might potentially include adjusting recruitment processes, offering work trials or guaranteed interviews, work placements and mentoring.
- 2.80 LEPs are intended to help lone parents, people with disabilities and long-term unemployed people among others, and are a key component of an integrated employment and skills model which we are introducing to enable people moving into work to improve their skills.
- 2.81 In addition through campaigns such as 'Employ ability' and other work with employers and organisations, we are engaging at a corporate level to encourage good recruitment and retention practices and address issues, locally, where day-to-day recruitment and retention decisions are made.

Case study – Gallery 37 Plus

Run by the National Foundation for Youth Music and funded by the Big Lottery Fund, Gallery 37 Birmingham and Gallery 37 Plus run summer arts programmes lasting five weeks, to support young people's aspirations and give them the opportunity to explore their creative talents. Gallery 37 Birmingham was launched in 1998, and Gallery 37 Plus, comprising of five new locations (Bristol, Leeds, London, Oldham and Newark and Sherwood) has run programmes since 2007.

Gallery 37 Plus' intensive periods of 'apprenticeship' are targeted at 16–24 year olds, who are selected for interview for a place based on their 'not in employment, education or training' (NEET) status and needs. The challenges they face are varied – many live with a disability while some are looked-after. Many are young offenders or are at risk of offending.

Out of the 274 young people who signed up for the 2007 Gallery 37 Plus summer programmes, 172 were unemployed at the start of the course. For many 'apprentices', Gallery 37 Plus acts as the catalyst for change: *"I don't want to go back on the dole, I am determined to get a job after this. I feel much more confident in the skills I have and being able to go for jobs"*. Gallery 37 Plus works to maintain links with local industry and provide support and encouragement to participants in gaining employment after the summer schools are over.

Out of the 274 young people who registered for the 2007 summer programmes, 210 completed the course – an achievement not unnoticed by youth workers and parents. *"[This young person] has not attended anything for more than three days consecutively. I am amazed that the project has engaged her so much that she has attended for all 20 days"* – wrote one Connexions advisor. 110 of these 210 young people went on to Further Education, eight went in to Higher Education and nine entered employment.

Volunteering and developing skills for work

- 2.82 Voluntary activity can have many advantages for unemployed people as well as the wider community. It can help keep them in touch with the labour market. It can offer opportunities to obtain the skills and experience that can make moving into work easier. These benefits were emphasised by the Morgan Inquiry on volunteering and young adults.

- 2.83 The Third Sector Taskforce was launched in June 2008 to involve the third sector more strongly in the delivery of welfare reform. With representation across a range of voluntary and charity organisations, their challenge will be to look at the role of the third sector and in particular what it can bring to welfare to work reforms that others cannot. The Taskforce is chaired by Tony Hawkhead, Chief Executive of Groundwork UK, and David Freud is the Vice Chair. It is expected to publish its recommendations in early 2009.
- 2.84 Volunteering should not be seen as an alternative to a paid job. But we want to ensure benefit conditions do not prevent people taking part in voluntary activity that might help them back into paid work. We are proud that Jobcentre Plus works successfully, both nationally and locally, with a vast array of organisations from the Voluntary and Community Sector (VCS), providing real benefits for our claimants and the wider community. The Department for Work and Pensions is committed to building further partnerships between the VCS and Jobcentre Plus.
- 2.85 Working-age people who are claiming benefits can do unlimited voluntary work so long as they continue to meet all the usual entitlement conditions. Indeed, we have relaxed the rules for volunteers, giving them 48 rather than 24 hours to attend an interview and allowing them a week to take up a post rather than immediately. Any money paid to refund expenses incurred during voluntary activity is fully disregarded when working out benefit entitlement.
- 2.86 Our general view remains that the benefit rules strike a proper balance between allowing benefit recipients to pursue voluntary activity that is beneficial to the community, while at the same time encouraging them to retain a clear focus on moving off welfare into paid employment. But there is scope to build on the solid foundations now in place and we will remain receptive to ideas for different approaches in which volunteering can support individuals in moving into sustained employment. We can also consider how we might better publicise existing flexibilities to DWP staff, to potential volunteers and to volunteering organisations. We would welcome views on whether we could do more to promote volunteering.
- 2.87 In direct response to the Morgan Inquiry, however, Jobcentre Plus is setting a new project with key organisations from the VCS, designed to explore how, within the rules for receipt of working-age benefits, we can make the most of volunteering opportunities.

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

Conclusion

- 2.88 We opened this chapter by setting out our vision for a welfare state where no one is written off and everyone is required to fulfil their responsibilities to prepare for, look for and take up work. In the last decade we have helped many more people achieve their ambition of entering and remaining in work with all the additional advantages that regular work brings for individuals and families.
- 2.89 However, we know that some people have not managed to make or maintain that transition from unemployment to a stable working life. These reforms will make sure support is offered to and responsibility required of everyone.