

5 Rights and responsibilities

Issue

Since 1997, the Government has put the rights and responsibilities agenda at the heart of its welfare policies. The contact between individuals and the State is central to, for example, the New Deals for unemployed people, which allow 'no fifth option' of remaining passively on benefits. Applied in different ways, the rights and responsibilities agenda also runs through policies for lone parents, incapacity benefit claimants, and other inactive benefit claimants.

The reforms proposed in Parts 3 and 4 of this report need also to be underpinned by a strengthened framework of rights and responsibilities from the start of an individual's claim.

This part of the report considers the "contract" between individuals and the state that is reflected in the system of rights and responsibilities. It sets out a range of UK and international evidence and makes recommendations for the future that would rebalance the system – more clearly basing it on the support that is available, individuals' needs, and society's expectations.

The role of the personal adviser

The personal adviser has become a crucial role in the delivery of the UK's welfare to work services. The development of a supportive relationship between claimant and adviser enables rights and responsibilities to be enforced whilst moving the individual towards the labour market.

Within Jobcentre Plus, personal advisers have delivered the New Deal for Lone Parents and the first phase of Pathways to Work, helping lone parents and people with health conditions and disabilities back to work. A recent National Audit Office report found that these personal advisers within Jobcentre Plus have a positive impact by raising customers' confidence, equipping them with improved job-seeking skills and assisting with job applications⁵⁴.

Personal advisers have also played an important part in the delivery of services by the private and voluntary sector. This is true, for instance, for job brokers delivering the New Deal for Disabled People and in Employment Zones.

Defining rights and responsibilities

This report has identified three key objectives that underpin rights and responsibilities:

- to match people to jobs and so optimise the efficiency of the labour market – nearly seven million people start a new job every year and about a third of these are starts from benefits;
- to prompt, support and require people to take appropriate steps towards work as a condition of their benefit claim;
- to ensure that people with particularly difficult barriers to work are getting the extra support that they need.

The balance between these objectives will be different for different people at different times in their claims. Until now, the approach for different groups has been dictated by the benefit that they are on – with people on Jobseeker's Allowance having intensive, fortnightly contact focused on assisted jobsearch, while those on "inactive" benefits have fuller "work focused interviews" at varying frequencies (ranging from every month to not at all).

There is now a clear consensus that the right to support with moving closer to work should be matched with a clearer responsibility to take those steps – and that these rights and responsibilities may need to change during a claim. The new Employment and Support Allowance is a good example of how this can be managed appropriately and sensitively. The challenge will be to get this balance right for everyone. There are two dimensions to this:

⁵⁴ Jobcentre Plus: Delivering effective services through Personal Advisers, November 2006 ISBN: 0102943796.

- the frequency of interventions;
- the type of intervention.

Taking these in turn, there is clear evidence that the frequency of interventions for people on Jobseeker's Allowance (and therefore who are likely to be "job ready") plays a key role in helping people to get into work. What is more, reducing the frequency of interventions appears to have the most significant negative impact on those with the shortest durations (and likely to be the most job ready) (see box on page 89). The evidence is less full for people on inactive benefits, but the introduction of additional Work-Focused Interviews for groups of lone parents have been associated with increases in lone parent employment.

On the type of interventions, broadly this is a balance between providing help with looking for work ("work search") and improving individuals' job prospects or employability. The UK has tended to focus on work search, particularly for people on JSA – this is because of the range of jobs that become available all the time and the evidence that you need to look for a job in order to find one. However, even with a wide range of vacancies the number of jobs that an individual can realistically apply for will be limited – by their aspirations, skills, caring commitments, a health condition or disability, and so on. So employability matters, as they widen the number of jobs that can be applied for.

The precise application for each benefit is explored below.

Jobseekers

As mentioned above, the approach for unemployed people has been very strongly and intensively work first. The jobseeker is required to complete a "Jobseeker's Agreement" at the start of their claim and agree to take a number of steps towards work. This is reviewed every fortnight where a Personal Adviser – typically in a meeting around ten to fifteen minutes long – reviews the steps taken in the previous fortnight, discusses specific current vacancies, and agrees activity for the next fortnight. Employability measures only become available after longer durations (most notably through the New Deal).

As noted this approach has delivered significant results. The strong performance set out in Part 1, in particular on long-term unemployment, has undoubtedly been in large part a result of the intensive intervention regime. This has been recognised by the OECD (see page 22). However as Part 1 also set out, this does not work for everyone – around one third of JSA claimants have been on benefit for longer than they have been in work and around 100,000 of these on benefits for six in the last seven years.

"Economically inactive" groups

The UK approach recognises that for people who are economically inactive and who want to work or for whom there is an expectation that they will take steps towards

work, a different balance of support will be needed – particularly when they have been out of the labour market for a period of time. Broadly, this means work focused interviews that look at the barriers that are preventing an individual from looking for work and supporting them to overcome them. This mixes employability and, eventually, work search – and can include reference to specialist support.

What is perhaps most noticeable here is that the intervention regime is almost entirely determined by what benefit an individual is on, and there is very little support for people who are on no benefits – for example the partners of people in work. The regime for those on inactive benefits is set out below.

Lone parents

Eight out of ten lone parents want to work. The current requirements are a series of work-focused interviews at quarterly, 6 monthly or yearly intervals, with the intensity increasing as the parent's youngest child grows up. This system has had a significant impact on the proportion of lone parents moving into work. The UK however lags behind other countries in terms of how much it requires of this group of people, and it may be that the work-focused interview regime has achieved as much as it can.

The strategy on lone parents is tied to the Government's aim of eradicating child poverty by 2020; the most ambitious social policy objective that this Government has set. And in a time of rising real incomes and rising employment, its progress since 1999 should not be under-estimated – with around 700,000 children lifted out of relative poverty in six years. This has reversed strong growth in child poverty from the late 1970s to the mid 1990s, and at just under 20% the relative poverty rate is now at a 15 year low.

There are currently about 2.4 million poor children and the Government will have to go further and faster in order to hit its target of eradicating child poverty by 2020. The Government has already narrowly missed its interim target for 2004-5 and the required trajectory for its 2010 target is extremely challenging. The Government will need to develop and implement policy now in order to maintain progress towards 2010 and then make the significant progress required towards the 2020 ambition.

Delivering on Child Poverty

Lisa Harker's report on child poverty published for the Department in November 2006 reaches a number of important conclusions about the incidence of child poverty and the roles of the Department in tackling this issue. Her report acknowledges the significant progress that has been made but also suggests that the Government is unlikely to meet the 2010 target.

The Harker report indicates that welfare programmes have "rightly adopted a 'work first' approach" and that a closer alignment of support for couple and lone parents would ensure that welfare to work programmes better meet the needs of parents. The fact that 61% of children in poverty live in couple households demonstrates that focusing only on lone parents will not deliver the child poverty target on its own.

As the Government has said since 1997, the evidence is clear that work is the most sustainable route out of poverty for many families.⁵⁵ A child living with a workless lone parent is five times more likely to be poor than one living with a full-time working single parent. The risk of poverty for a child in a couple household falls from 61% if no adult works to 14% if one works full-time, to 1% if both work full-time.

People with health conditions and disabilities

Many more people on incapacity benefits want to work and could work, given the right help and support to do so. Pathways to Work, and the proposed Employment and Support Allowance, are based on a form of support to help people identify and then overcome the barriers that stop them from working. The Government has already committed to rolling out a series of monthly interviews in the first year of someone's claim, and is legislating so that, in the future, most people claiming the new Allowance will need to demonstrate that they are taking steps to prepare themselves for work.

Partners of benefit claimants

Partners of benefit claimants have differing levels of responsibility according to which benefit is being claimed, ranging from none at all through a single work-focused interview after six months to the full Jobseeker's Allowance regime if the couple is making a joint claim⁵⁶. Because the means-tested system pays more to a couple than to an individual, around 225,000 partners of benefit claimants are supported by the system, 125,000 of whom have children. There may be no reason for treating these people any differently from jobseekers or lone parents. It appears increasingly incongruous that the "conditionality" for partners is so limited and pays no regard to the individual's circumstances or needs.

⁵⁵ See for example 'What will it take to end child poverty?' by the Joseph Rowntree Foundation (JRF).

⁵⁶ Couples need to make a joint claim where one or both of them were born after 28 October 1957 and are aged 18 years old or more; they have no dependant children; and they wish to make a claim for Income-based Jobseeker's Allowance (JSA(IB)).

International evidence

The UK has been at the leading edge of welfare reform since the mid 1990s. However there are a number of specific examples of international good practice that may provide pointers for future UK reform.

Jobseekers

In Australia, conditionality for the unemployed has been taken one stage further through the “Work for the Dole” programme. This can be a requirement after an individual has been unemployed for 6 months. Participants are required to work in a variety of environments and are rewarded with a small sum of money for doing this. Examples include rebuilding computer equipment, designing web pages and education material for community centres, helping in care homes, restoring heritage sites, building specialised play equipment for disabled people and restoring of heritage-listed ships. The projects are not tailored to individuals but are instead selected on the basis that they do not compete with the private sector (which also means that employer input is limited).

Opinion on whether Work for the Dole is effective differs. There are three common criticisms: that it reduces worksearch and so makes it less likely that someone will get a job; that it does not increase an individual’s employability; and that it stigmatises the long-term unemployed. The Australian Government has countered that it enables people who have been out of the workforce for a long time to develop work habits, a sense of purpose and a sense of achievement within the community.

In Nova Scotia a similar programme, called the Community Employment Innovation Project (CEIP) has taken place. This programme took volunteers from long-term benefit recipients and offered a wide range of community based “jobs”. Volunteers were required to work on a full-time basis which included basic job-readiness training and job-search support. In exchange for this commitment participants were paid a wage. The research from this suggests that there has been a significant positive impact on employment outcomes for people who participated, as well as an increase in the speed at which customers off-flowed from the programme and into work.⁵⁷

People with health conditions and disabilities

The problems of a large number of people on inactive benefits because of a health condition or disability and a low employment rate for disabled people are common to many countries. Many countries have moved in the last few years to address this, in line with the recommendations of the 2003 OECD report “Transforming disability into ability”.

Whilst comparisons are difficult because of differences in benefit systems and in the assessment of sickness and disability, there are systems from which the UK can learn in a number of countries. As in the UK, these reforms have tended to focus on mutual obligations and early interventions, better integration of support, and reforms to benefit systems to remove disincentives to work.

⁵⁷ Gyarmati et al (2006).

Developments in disability employment policies in other countries

In **New Zealand** the Ministry of Social Development launched the new Service for Sickness and Invalid's Benefit Recipients in March 2004. This service constitutes a multi-barrier approach similar to Pathways in the UK. The main difference is that participation in this programme is voluntary. This was in response to an increase in the numbers receiving sickness and invalidity benefits over time with 4% of the working age population currently in receipt⁵⁸ predominantly because of increased inflows, low off-flows and longer durations. The new service comprises a number of different elements designed to address the variety of health, financial and work-related barriers faced by this client group. Initial results have indicated that the number of claimants leaving for full-time employment increased by 13% in trial areas compared to the same period the previous year. The initial success of these policies has resulted in plans for a major expansion of the scheme and services available, over the next four years.

Denmark offers a non-contributory disability pension for all citizens aged 18-66 with 3 years residence. Benefits are relatively high and easily accessible with around 11% of the working age population in receipt of either a disability pension or sickness benefit. Reforms introduced in 2003 seek to reduce both the complexity and the number of new claimants of this benefit, including an earlier medical assessment which enforces tighter eligibility conditions reliant on a reduced working capacity of two thirds⁵⁹; a single benefit rate rather than 3; and an extension to "Flex-jobs", which involve fewer working hours or reduced work tasks, with employers refunded a proportion of their salary according to the reduction in working ability. Results from these reforms are not yet clear.

In the **USA** there are two main benefits to support those with severe disabilities both with the same stringent medical assessment, social security disability insurance (SSDI) and the means tested supplemental security income (SSI)⁶⁰. In line with international trends caseloads grew substantially over the 90s and continue to do so with an 8% increase in SSI claimants from 2000 to 2004 and a 23% increase in SSDI claimants over the same period. Recent reforms have focused upon improving work incentives and providing more help with rehabilitation and employment services.

Continued

⁵⁸ Social expenditure on disability benefits reached almost 3% of GDP by 2004.

⁵⁹ Previously the lowest reduced work capacity level required to receive the benefit stood at 50%.

⁶⁰ In addition other schemes also exist to provide income for those with less severe disabilities including Veterans benefits, workers compensation, private disability insurance and vocational rehabilitation.

Work incentives have been improved through the extension of Medicaid provision for 8 years and 6 months after the end of benefit receipt and by enabling claimants to remain on benefits for at least nine months regardless of earnings. The 'Ticket to Work and self sufficiency programme' was initially introduced in February 2002 and is still being rolled out nationally. The scheme is voluntary with over 10 million beneficiaries having received vouchers by July 2005 enabling them to claim services from providers known as Employment Networks (ENs). The Ticket to Work (TTW) scheme introduced an outcome-based financing system for ENs who can choose what services to provide and to whom. Participants have a TTW evaluation with an EN of their choice with successful applicants working together with their EN to develop a work plan to reach their employment goal.

Initial results indicate low participation with only 1% of those eligible assigned to a provider. This is reflective not only of levels of participant interest but also the willingness of providers to enter into contracts to provide services; early results indicate that only 10 to 30% of beneficiaries screened by providers are accepted into services.

In **Australia** receipt of the disability support pension stands at 6% of the working age population. From July 2005 claimants have been able voluntarily to join a series of employment programmes, with the choice dependent on their disability and the support they need. They can use the Job Network which is primarily for the unemployed; or disability open employment services; or the Commonwealth Rehabilitation Services Australia, which involves vocational rehabilitation. Again, the evaluation evidence from these schemes is limited given their recent introduction.

Lone parents

Whilst the UK has a more demanding regime than other countries for people with health conditions and disabilities, the same cannot be said of what is asked of lone parents. In recent years requirements to be available for work have been extended to the majority of lone parents in a number of countries, including Canada, the Netherlands and the United States. As the OECD stated in a recent report looking at Canada, Finland, Sweden and the UK:

“The United Kingdom is the only country in this review that has no tradition of work-testing sole parents on income support and it is no coincidence that it has a much lower employment rate and a relatively high incidence of poverty among this group.”⁶¹

Table 9 Work tests for lone parents, selected countries, in around 2006⁶²

No work Test	Work Test	
	Independent of child age	Dependent on age of youngest child (age limit in years)
Portugal	Belgium (Discretion)	Ireland (18 or 22 if child in full-time education)
Spain	Denmark (subject to childcare)	New Zealand (18)
	Finland	United Kingdom (16)
	Japan (Discretion)	New Zealand (18)
	Sweden	Australia (16/7)
		Luxembourg (6)
		Canada (0.5-6)
		Netherlands (5)
		Czech Republic (4)
		Austria (About 3)
		France (3)
		Germany (3)
		Norway (3)
		Switzerland (3)
		United States (usually 0.25-1, with some exceptions)

⁶¹ “Babies and Bosses: Reconciling Work and Family Life”; OECD 2005.

⁶² Source: Carcillo and Grubb (OECD, 2006).

Extending availability requirements for lone parents⁶³

In **Denmark**, activation measures for social assistance beneficiaries were developed in conjunction with far-reaching reforms of the unemployment insurance scheme from 1994 to 2000. The Act on Active Social Policy of 1997 (implemented in 1998), specified individual responsibilities in relation to receiving social assistance more precisely. Immediate activation was required for any welfare recipient under 30 and sanctions were imposed in case of refusal.

In 1996, the **Netherlands** abolished the unemployment assistance benefit (RWW), thus requiring its former beneficiaries to claim the social assistance benefit (ABW) while at the same time ABW legislation was revised to allow stronger work-availability requirements. The 1996 legislation stated that lone mothers could be required to work when their youngest child reached five years old, compared to 12 years under the previous legislation. In addition, for many years the national Government financed 90% of the social assistance costs actually incurred by municipalities. This rate was reduced to 75% in 2001 and to zero (with municipalities receiving a grant related to expected, rather than actual costs) in 2004. In 2004 municipalities were also given additional freedom to define work requirements, and some municipalities now apply them to lone parents with children of any age, depending on circumstances.

In the **United States**, Welfare Reform (PRWORA) legislation in 1996 replaced federal co-financing of welfare benefits (mainly for lone-parents families) by a system of block grants. Moreover, while federal legislation prior to 1996 gave individuals (mainly lone parent families) meeting state eligibility criteria a legally enforceable right to social assistance (AFDC) benefits, PRWORA legislation expressly denies individuals automatic entitlement to such benefits (now TANF). This change has made it easier for state administrators to deny benefits or impose sanctions when they consider a claimant's availability for work insufficient, and not only when they have formal evidence.

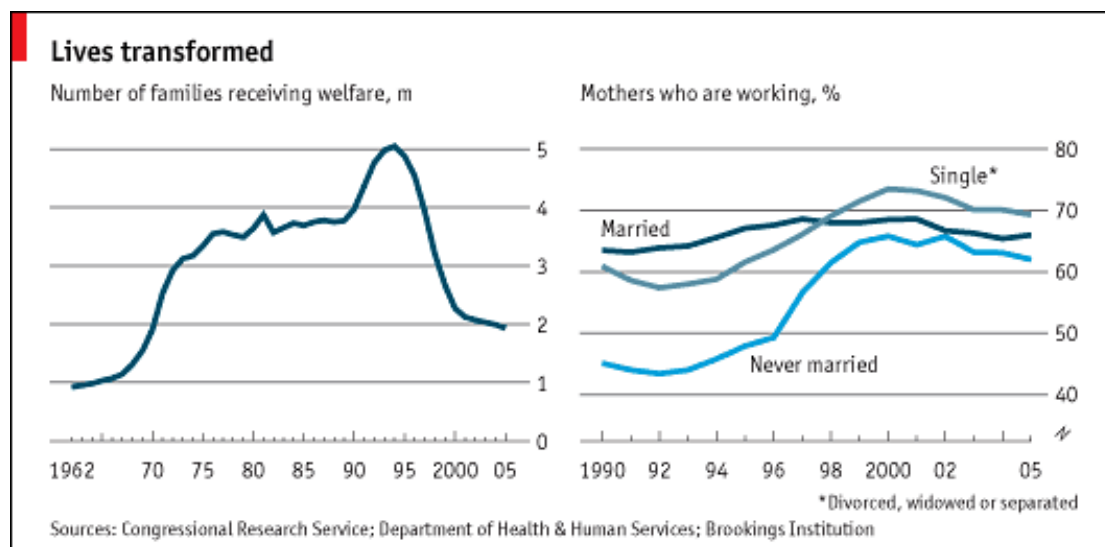
In **Australia**, as from 2006, new lone parent benefit applicants whose youngest child is aged 8 to 15, who until now would have entered the lone-parent benefit, will instead normally qualify for the unemployment benefit with a requirement to seek at least part-time work. Similar measures apply to individuals with disabilities who can work part-time.

⁶³ Source: Carcillo and Grubb (OECD, 2006). Quoted with authors' permission.

Looking in more detail at the US Welfare Reform legislation, according to Ron Haskins in his account 'Work over Welfare' welfare dependency fell by 60% between 1994 and 2004:

"From 1993 to 2000 the portion of single mothers who were employed grew from 58% to nearly 75% . . . Even more pertinent to assessing the effects of welfare reform, employment among never-married mothers, most of whom join the welfare ranks within a year or two of giving birth, grew from 44% to 66%."

Figure 29 "Lives transformed"



The outcomes of this regime have surprised many, on both the left and the right, and while the economic boom of the 1990s undoubtedly provided a helpful backdrop, the introduction of clear incentives has had an undeniable impact. It is, however, worth stressing that while the majority of lone mothers have improved their lot, a small group at the bottom of the pecking order does seem to have been left behind.

Overall, the range of international evidence suggests that there is certainly scope for the UK to look again at what might be reasonable once children reach a certain age.

Recommendation

Part 3 sets out a new approach for supporting people who are the most disadvantaged. Therefore the objective of the rights and responsibilities regime should be to support the approach by helping people to make the transition back to work before they become disadvantaged, and to ensure that those with particular disadvantage receive the extra support that they need early in their claim.

This report therefore argues that in the longer term, the Government should be looking to converge the various systems of conditionality for different client groups within the first year of their claim. To take this to its logical conclusion would be to level up to work first, fortnightly interventions for all claimants. However, clearly this does not recognise the particular needs and expectations of different individuals (and what society expects in return) – fortnightly “work first” will be inappropriate for some people (such as the lone parent of a young child or someone who has just acquired a disability). Therefore the frequency of interventions, and the form that those interventions take, will need to vary.

One argument would be to “segment” clients early in their claim and to vary the intervention regime not on the basis of benefit but only the basis of this segmentation. This could mean everyone having a standard level of intervention with some receiving more intensive support (which could include for example early access to contracted provision) and others receiving less intensive support. There are two issues with this:

- firstly, the benefit system distinguishes between those who are expected to look for work throughout their claim (JSA) and those who are not – there is a risk that this approach would dilute what is expected of some people on JSA;
- segmentation or identification tools are notoriously difficult and the evidence is far from conclusive – as set out below.

The JSA intervention regime – intensity and segmentation

As part of a wider review of the intervention regime in 2005, DWP piloted five alternative approaches for the first 13 weeks of the claim:

- Fortnightly telephone jobsearch reviews.
- Random contact during the first 13 weeks.
- Random contact during the first three signing events.
- Shortened jobsearch Reviews.
- Group Signing Reviews.

The main aim of the pilots was to explore the scope for making the regime more efficient – at present over 200,000 people move onto JSA every month and around £275 million is spent on the JSA intervention regime.

The results

The subsequent detailed evaluation⁶⁴ has supported the view that the existing regime is close to optimal value for money – it is relatively cheap, delivered efficiently, and is effective in returning people to work.

It found that the random contact and telephone pilots had a major adverse impact on off-flows, with an anticipated increase in durations on JSA of between 5.8 and 6.6 days. This means that the relatively small amount of money saved in administration (around £30m), would be more than wiped-out by increases in benefit costs (up to £100m).

The pilots of a shortened Review and group signings did not appear to have an impact on off-flow rates and so would seem to suggest that it is the regularity, rather than the quality, of contact that matters. This is supported to some extent by subsequent increase in off-flow rates since Jobcentre Plus has introduced weekly signings for people with durations of 13 to 19 weeks.

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⁶⁴ The Qualitative Evaluation of the JSA Intervention Regime Pilots, by Judith Eccles and Richard Lloyd. DWP Research Report 300, 2005.

Segmentation

The 2005 pilots also included a pilot around segmentation. This was specifically to see whether a simple “tool” could be used to identify those who would be most likely to come off the register in the first 13 weeks. It did not change the signing arrangements for this group.

The segmentation tool was reasonably effective in identifying those who are likely to sign off within 13 weeks – around 60% of those defined as “green” (and likely to leave JSA within three months) did flow off benefit, compared with around 50% of those defined as “red”. However this also suggests:

- a high level of mis-classification;
- a high proportion of people classified as “green” still on JSA after three months, even with fortnightly signing.

Separate internal analysis by DWP has suggested that those who are most likely to leave within 13 weeks are also most likely to be adversely affected by less rigorous signing; and that increased durations of just a few days from those not subjected to a full intervention regime could wipe out any administrative savings from segmentation.

Conclusion

There is no compelling case to reduce the intensity of the intervention regime for anyone on Jobseeker’s Allowance. There is mixed evidence on how far early identification tools can be helpful in identifying those who will require additional support.

On the basis of the evidence from the UK and internationally, this report therefore recommends that the UK maintains the current conditionality regime for those on JSA, and builds on this by increasing and aligning the conditionality that is expected of people who are currently on “inactive” benefits. At the start of their claim everyone, whether unemployed, sick or disabled, a lone parent, a partner of a benefit recipient, or a carer would have an initial interview. The approach for each group would then vary as below.

Jobseekers

For jobseekers the regime would remain largely unchanged, with fortnightly signing and associated mandatory jobsearch. As now, this could include increased intensity at key points (three or six months) and “Programme Centre” provision. Rather than moving onto the current New Deal programmes at different stages according to their age, claimants would (as set out in Part 3) transfer at the end of a year to the new system of providers, who would then work with them intensively.

There may be a case for moving particular groups of people across to the private and voluntary sector, or increasing the conditionality required of them, ahead of the year point. These might include, for instance, people who have “recycled” round the system a number of times or who have spent more time on benefit than in work.

I have considered whether it would be helpful to have an “ultimate sanction” for jobseekers, in the form of a programme similar to the Australian “work for the dole”. The evidence suggests that the costs may outweigh its benefits as a labour market measure, and therefore I recommend that the Government continues to look at the experience in Australia but does not, for the moment, implement something similar.

Lone parents

In the longer term, once wraparound childcare is in place, the rationale for lone parents having fewer obligations than other people who are not working may be re-examined. The most appropriate and effective way to strengthen the rights and responsibilities agenda would be to change the eligibility for income support.

From 2008/9 the Government will be creating a new framework of rights and responsibilities for sick and disabled working age benefit claimants through the introduction of the Employment and Support Allowance. The creation of this new benefit and the obligations it will place upon claimants to take steps actively to get into the labour market potentially highlights the inequity with the responsibilities placed on lone parents to get into the labour market. Compared with many other leading OECD countries, the UK demands very little of lone parents when it comes to taking steps to get into work.

This fact, combined with what is known about the positive benefits of work for the outcomes of children – the confidence, esteem and development of social networks for lone parents – and the importance of reaching the demanding 70 per cent employment rate target, makes a strong case for a fundamental shift in how the Government supports lone parents to get on in life.

I would therefore recommend that from 2008, to broadly coincide with the creation of the ESA, the Government reduces the point beyond which a lone parent can claim income support from when their youngest child is 16 to 12. In addition, the Government should consider as wrap around childcare becomes available from 2010, whether further reductions would be desirable. The Government would need to ensure that the new system took account of the particular challenges faced by lone parents in accommodating full time work and caring for disabled children.

Change on this scale is will help the Government to make faster progress on tackling child poverty. It is also right in order to rebalance rights and responsibilities in line with what the Government should expect, in return for more support (with childcare and with looking for work). Clearly, parents often need help beyond that available to other jobseekers, and it may be most appropriate that the requirement on lone parents is to be available for work part-time rather than full-time, as is already provided for under the JSA regime.

For parents whose children are below this cut off point, I propose that there are regular work-focused interviews with similar obligations to the new Employment and Support Allowance. These interviews would be at intervals determined by individual circumstances.

How lone parent conditionality would work

For someone who became a lone parent when their child was born: Following an initial work-focused interview when a claim is made, the person might see an adviser twice a year to check that their circumstances remained the same and to think about what they might do in the future. At a certain age, for example once the child was at nursery for part of the week, the interviews might become quarterly, with an action plan agreed between the parent and the adviser.

When the child reached the age at which conditionality intensified, the parent's interviews would become fortnightly, and would be focused on finding a job. Jobcentre Plus would work with the individual to find work which suited their child's schooling and childcare arrangements and would offer support and training if appropriate. If the parent had still not found a job after a year of being on Jobseeker's Allowance, they would be referred to a private or voluntary sector provider. The provider would work with the individual to assess their support requirements and would see them regularly. The provider could also refer the person back to Jobcentre Plus for a sanction if they failed to take action to prepare themselves for work.

For someone who became a lone parent when their child was over the age at which conditionality was applied: The person would claim Jobseeker's Allowance and be interviewed fortnightly about their jobsearch. Again, the adviser would be looking for work that corresponded to their availability. After a year, the person would again be referred to the relevant provider, who would offer them job-related support.

People with health conditions and disabilities

This report fully supports the proposed regime in the new Employment and Support Allowance. The longer term priority will be to "migrate" people currently claiming incapacity benefits over to the new system so that they can benefit from the support available.

Under the ESA system, those claiming on grounds of ill health or disability have a Personal Capability Assessment at the start of their claim followed by monthly interviews with an associated requirement to engage in activity that will prepare them for work. Providers will need to exercise considerable sensitivity in applying any sanctions to people with mental health conditions, and ensure that safeguards are in place for this group. Conditionality will not apply to people with the most severe disabilities and health conditions. The system will need to support people who are unable to work in the medium or long term, paying them their benefit and engaging with them at regular intervals to check that they do not need further support.

Given the considerable volume of existing incapacity benefits claimants and the extra cost associated with engaging with all of them, this regime would need to be phased in over a period of years. I recommend that the Government looks at ways of phasing this, perhaps by looking at people who have been on incapacity benefits for the shortest amount of time first.

As part of the reforms to incapacity benefits, the Personal Capability Assessment has been reviewed. Once this system has bedded in, there may be scope for looking at aligning the test for ESA with those for other disability benefits along the lines of the single all-purpose test in New Zealand. This would reduce duplication in the system and for claimants.

Partners of benefit claimants

For partners of benefit claimants this report recommends in the longer term applying conditionality in the same way as it is applied to main claimants. This will require primary legislation. Childless partners would be subject to the Jobseeker's regime. If they had a health condition, work focused interviews would be required – on a monthly basis – for the first three months. The requirements for parents with children would be aligned with those of lone parents – so that when children are young, parents are required to come in for interviews and prepare themselves for work, but once they are older parents would move to the Jobseeker's regime.

Carers

Carers play a very valuable role in society and being a carer will often be a full-time role – that is why the Government moved away from work-focused activity for this group. However it is right that the same opportunities are made available to carers as exist for other claimants, and it is likely that later in their claim many carers would want to consider a return to work. Therefore this report recommends that all carers have an initial discussion with a personal adviser at the start of their claim, and that the personal adviser and carer agree when in the future would be an appropriate time to engage in work-related activity.

Delivery

It is clear from the evidence on Jobseeker's Allowance that Jobcentre Plus has been highly effective at delivering high volume, low cost interventions that are focused on getting people back into work quickly. This report therefore recommends that Jobcentre Plus continues to deliver the intervention regime for this group. Provision of work-focused interviews for people on inactive benefits is more of a mixed economy, and the evidence of where this is most effectively delivered is less clear-cut. This report argues that as a rule all interventions in the first year should be delivered by Jobcentre Plus, but that the Government should incorporate the lessons learnt from other programmes (private and voluntary sector Pathways and Employment Zones).

The Government may also want to consider the case for limited private provision that can be purchased by Jobcentre Plus within the first year. This could be appropriate where a clearly-defined limited barrier is preventing a return to work.

After the first year and early identification

In line with my conclusions in Part 3, the above intervention regime will be applied throughout the first year of the claim – at this point the individual will move to contracted support in the private and voluntary sector. At the one year point, the personal adviser would therefore prepare a report on the work that had been carried out during the year and the person's particular barriers to work. The conditionality applied by the provider would depend on the person's individual circumstances, although to ensure consistency and to ensure that everyone has the opportunity to access support there would be an expected frequency of interviews for different groups (between, for instance, fortnightly and quarterly).

There is also a strong case for ensuring that providers deliver a level of mandatory participation commensurate with the current level of responsibilities placed on certain groups. For example, there is evidence that requiring the long-term unemployed to participate in some form of full-time activity through New Deal creates a deterrent effect to longer benefit claims. The Government will need to review the case for maintaining current conditionality levels as part of its wider considerations. For long-term unemployed people it may also be sensible – even though support will be being delivered by the private and voluntary sector – to maintain the requirement that they should attend Jobcentre Plus offices fortnightly to continue to demonstrate that they are meeting the basic conditions for receipt of benefit.

The point at which an individual moves to a provider should be one year as a default, but there would also need to be earlier entry for key groups. In particular for:

- people with ESA, it may be more appropriate to transfer former IB claimants (who are likely to be the most disadvantaged in the labour market) at the six month point or perhaps at the end of the three month assessment phase, but to transfer new ESA claimants at twelve months;
- people who have repeated a number of times on benefit without reaching twelve months in one spell, there is a good case for using their cumulative time on benefit over a period rather than their longest continuous duration – for example that they have claimed for twelve of the last twenty-four months;
- the very hardest to help, immediate referral to intensive support, such as ex-offenders, homeless people and drug addicts.

Jobcentre Plus will retain its role as the central repository of information on claimants, as well as responsibility for tackling fraud. In order to do this, it will need to maintain contact with claimants. While it will be important to minimise confusion between providers and Jobcentre Plus, it would appear appropriate that claimants working with providers also attend their local Jobcentre Plus once every half year, so that information can be kept up to date (although for long-term unemployed people it may be appropriate to require fortnightly attendance, as described above).

Sanctions and requiring activity

There is some evidence that calls into question how effectively sanctions are being applied and whether claimants really make the link between not attending an interview and the amount of money that appears in their bank account. At the moment, sanctions are applied a long time in arrears and by telephone or letter. This regime would seem to lose any salutary impact of applying sanctions; in particular the deterrent effect of needing to attend a pointed interview about shortcomings in behaviour. Perhaps a formal process which kicks off with a written warning, followed by a formal interview, would have more impact than any actual financial repercussions.

In the proposed contracting regime, claimants would agree an individualised workplan with their personal adviser. This could include requirements such as attendance at a course or at work interviews. To the extent that people wilfully ignore their workplan, a sanction may be deemed appropriate. However it would be appropriate that the sanction itself was administered through Jobcentre Plus. This would be consistent with the state maintaining responsibility for the customer, would enable the State to assess the level of transgression and it would reinforce the significance of the sanction.

Table 10 Outline of current and proposed rights and responsibilities

	Jobseekers	Parents	People with health conditions and disabilities	Carers
Status quo	Have to come in fortnightly to "sign on" and prove actively seeking and available for work. New Deal kicks in at 6 months for young people, 18 months 25+	For lone parents: work-focused interviews at 6 month or year intervals depending on age of youngest child. Have to agree an action plan (but not penalised if they don't do what it says) For partners of benefit claimants with children: variable conditionality.	Initial work-focused interview, then at trigger points (eg repeat PCA). In Pathways areas, 6 interviews at monthly intervals, with action plan. Legislating to make taking steps towards work mandatory.	No work-related conditionality.
Proposal: first period (which may be a year), managed by Jobcentre Plus	Fortnightly signing with mandatory jobsearch, as now. New Deal no longer kicks in at 6 months for young people, although other support may be available.	From specific age of youngest child: as per jobseekers Below specific age of youngest child: as per people with health conditions and disabilities, with scope for advisors to waive the requirement to attend interviews where appropriate	Monthly work-focused interview, then at trigger points (eg repeat PCA). In Pathways areas, 6 interviews at monthly intervals, with action plan. Legislating to make taking steps towards work mandatory.	Initial interview, then further interviews with compulsory work-related activity as and when disabilities and health conditions. appropriate.

Continued

Table 10 Continued

	Jobseekers	Parents	People with health conditions and disabilities	Carers
Proposal: from year 2, managed by private and voluntary sector providers although sanctions administered by Jobcentre Plus	Providers can ask all claimants to participate in work-focused interviews and work-related activity and/ or jobsearch. The frequency of the interviews will range from fortnightly to quarterly, and the nature of the work-related activity will vary according to the circumstances of the client and what the provider thinks is most likely to be of help in getting the person back to work.			
Proposal: Existing claimants	Required to participate in fortnightly signing with Jobcentre Plus, as now.	Required to attend periodic work-focused interviews with Jobcentre Plus, as now.	Phased engagement with existing claimants, where they would spend six months going through the Jobcentre Plus system, and then moving to the private and voluntary sector providers.	No further requirements.