



December
2008

**Raising expectations and
increasing support: reforming
welfare for the future**
Quick read



Department for Work and Pensions

Raising expectations and increasing support: reforming welfare for the future

Quick read

Presented to Parliament by the Secretary of State for Work and Pensions by
Command of Her Majesty
December 2008

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Chapter 1 – Introduction

- 1.1 This White Paper sets out a vision and route map for a welfare state where everyone is given the help they need to get back to work, matched by an expectation that they take up that support. This builds on our earlier phases of reform which first deepened, then broadened, the support and responsibility to work. This began with the creation of Jobcentre Plus and the New Deals, and was most recently enhanced by the introduction of the Employment and Support Allowance and the new lone parent obligations.
- 1.2 Our Green Paper, *No one written off: reforming welfare to reward responsibility*, proposed extending this approach so that no one was left behind, trapped on benefits. Now we want to set a clear course towards the welfare state of the future. Our goal is a system where everyone has personalised support and conditions to help them get back to work, underpinned by a simpler benefits system and genuine choice and control for disabled people. This is the basis for a progressive welfare state capable of delivering higher employment and lower child poverty in the years to come.
- 1.3 Since the publication of our Green Paper, the economic climate has changed substantially. We know that times are tough and that many families across the country are struggling to make ends meet. Every redundancy is a personal tragedy and our immediate priority is to provide all the help we can during this period of insecurity.

- 1.4 Encouragingly, we are better placed now than in the past to do so, because the landscape of support for people to help them get back to work is transformed compared to previous downturns. Over the last decade we have developed a world-class, back-to-work service through Jobcentre Plus and our private and voluntary providers. Over half of new Jobseeker's Allowance claimants leave benefits within three months of claiming and around three-quarters within six months. Even as the overall number on Jobseeker's Allowance rises, it is important to remember that over 220,000 people still move off the benefit each month.
- 1.5 Governments cannot always prevent people losing their job, but our commitment is to do everything we can to help them find the next one as quickly as possible, with help to improve skills, where appropriate, to help them progress in employment. In return we ask them to make a clear commitment to their own journey back to work. That is the basis of a fair deal in the welfare system.
- 1.6 However, the downturn means more people looking for work, and many finding it harder to get that next job. That is why the Pre-Budget Report allocated an extra £1.3 billion to Jobcentre Plus and our private and voluntary providers over the next two years so that we not only maintain, but increase, the support we offer.
- 1.7 Some people have argued that now is not the time to press ahead with welfare reform. We believe the opposite is true. The current economic climate means we must step up both the support we offer to people on benefits and the expectations of them to prepare for work. To do otherwise would be to repeat the mistakes of the past, writing people off and encouraging the long-term benefit dependency that still scars too many of our communities.

- 1.8 In a job market that is becoming more competitive, everyone needs to build their capabilities and update their skills. When the downturn ends, as it will, and the jobs market strengthens, we want people to be ready to take up the opportunities that will arise. That means putting the reforms in place now to get the system into shape for the future.
- 1.9 In light of our consultation, this White Paper, sets out how we plan to take our proposals forward, to increase the support we offer and the obligations we expect in return. The White Paper sets out the next stage of welfare reform as follows:
- **Chapter 2: Benefit reform:** the current benefits system provides a safety net for people in need, but its complexity can act as a barrier to employment and undermine a smooth and certain transition into work. Its complexity also makes it more difficult for our staff to deliver a service focused on employment. We want to transform this system into one that is simpler, clearer and more empowering; concentrating people's minds on their future job rather than their current benefit.
 - **Chapter 3: An empowering welfare state:** this chapter sets out how we intend to hand power to our providers, local communities and individuals to develop welfare provision that is more effective and personalised. Providers will be invited to operate new and more effective contracts and we will build on the Right to Bid. Three levels of devolution to localities will be developed. And, for individuals, we will offer more choice in the services they receive, including trailblazing giving disabled people the right to control over the money spent in providing support and a choice of provider for people using our employment services.

- **Chapter 4: Personalised conditionality and support:** responds to Professor Gregg's Review, which proposed a new personalised regime of support and expectation with three groups: the 'Work-Ready' group; the 'Progression to Work' group and the 'No Conditionality' group. We welcome these recommendations and the vision of personalised conditionality that it entails. Instead of treating people according to their benefit category, we would treat them according to their needs, and at their pace. Starting from late 2010, we plan to pilot the Gregg model of conditionality and support with people starting a new claim to the Employment and Support Allowance and lone parents and partners of benefit recipients with young children. Our response to the Review's recommendations is set out in Appendix B of the White Paper.
- **Chapter 5: No one written off:** one consequence of the recessions of the 1980s and early 1990s was that hundreds of thousands of people were effectively written off on inactive benefits, with no support to get back to work when there were more jobs. We want to avoid repeating those mistakes now: our vision is a society where there is equality for disabled people. We are determined to take the steps needed to help them build their capabilities and increase the power they have over their lives. Building on the Green Paper and the Gregg Review proposals, we want to make sure that everyone gets personalised support, with a responsibility to engage with this support on their own journey back to work.

- **Chapter 6: More support, higher expectations:** our help for people on Jobseeker's Allowance is based on the principle of more support and higher expectations as an individual spends longer on benefit. In the Green Paper, we set out our proposals which will operate alongside the Flexible New Deal. The White Paper confirms these plans, and includes more detail on our plans for testing a Work for Your Benefit scheme. We also intend to bring forward new legislation to make the sanctions regime within Jobseeker's Allowance clearer and more effective.
- **Chapter 7: Ending child poverty:** the central purpose of our welfare reforms is to increase employment to release resources for our principal social justice priority: the eradication of child poverty by 2020. To underline the strength of our commitment, the Government will write its historic commitment to end child poverty by 2020 into law. Increasing support for, and expectations of, lone parents and partners of those on benefits, backed up by improved childcare and rights to flexible working, will help lift more children out of poverty in the years ahead.

1.10 The plans set out in this document draw on the public consultation on the Green Paper between 21 July and 22 October 2008. A more detailed summary of responses is included in the White Paper at Appendix A.

1.11 In implementing the proposals, the Government will continue to work closely with the devolved administration in Northern Ireland to seek to maintain a single system of social security across the United Kingdom. The Northern Ireland Executive will consider the most appropriate arrangements for Northern Ireland, for example, in relation to employment and skills.

Chapter 2 – Benefit reform

- 2.1 A clear message from the consultation on the Green Paper was that the current benefits system is too complex. This complexity can act as a barrier to our customers and our staff. It also fails to reflect the change in focus away from benefits simply being a safety net, towards supporting more people back into work.
- 2.2 This chapter sets out how we intend to simplify and improve the benefits system following consultation by:
- exploring models to reform the benefits system, including looking at a single income-replacement benefit for people of working age;
 - exploring how we might develop our plans to support carers;
 - launching a consultation on reforms to Housing Benefit in 2009; and
 - reviewing the Social Fund to ensure it provides effective help to overcome financial exclusion.

Tomorrow's benefits system

- 2.3 The social security system exists to provide support for those who need it, acting as a safety net when necessary and helping individuals to support themselves. For the benefits system to be effective in achieving its aims, it must be sufficiently accessible and clear enough for customers and staff to navigate. The current system is too complex. We should not expect our customers to mould themselves to fit the system, nor should our staff waste time and money dealing with badly designed processes. We need to develop a benefits system that enables and empowers individuals to take control of their lives, and treats each customer as an individual.

- 2.4 Radical simplification should improve things for our customers and our staff and help to shift our customers' focus away from the complex and overlapping structure of benefits towards the journey back to work. A single system of benefits would mean that the claims and payment process could be more easily automated. A system like this would make it easier for people to check whether there was other support they could receive.
- 2.5 We have previously said that major changes to the benefits system have to be made in several stages. This is the only way to ensure safe delivery and minimise disruption for our customers. We have started to lay the foundations of a simplified system of benefits with the introduction of the Employment and Support Allowance and other recent changes. The next natural step towards a simplified system should be the closure of Income Support which would take us to a dual-benefits system based around Jobseeker's Allowance and the Employment and Support Allowance.
- 2.6 In practice, most people who are now getting Income Support would be expected to move to Jobseeker's Allowance. For these people, their existing level of activity will be replicated in Jobseeker's Allowance. The change in benefit will not necessarily result in an increased level of activity.
- 2.7 We acknowledge the crucial support that carers provide within families and communities. Professor Gregg recommended that carers should not be required to engage in back-to-work activity – and we accept that. We will, therefore, not move carers from Income Support until we have a clear and detailed plan setting out how we will reform the benefits system more generally. We will ensure that proposals for a future system of support make appropriate provision for carers and fit well with the outcome of the Department of Health review of the care and support system.

Supporting work incentives

- 2.8 The rules of the benefits system can, in rare cases, make people better off on benefits than in a job. To provide further reassurance for people returning to work, we have been piloting a Better off in Work Credit since October 2008. This ensures that long-term benefit claimants (over six months) who move into full-time work will receive at least £25 a week more than they did on out-of-work benefits for the first 26 weeks in employment. If piloting proves successful, we will look to extend this approach in 2009.
- 2.9 Some people who responded to the Green Paper highlighted specific issues concerning the interaction of the benefits and tax credit systems. As the labour market evolves, we will work to ensure that the tax and benefits systems do not constrain people's motivation to move into, and progress in, work. A key part of this will be our continued effort to ensure people understand the impact that moving into work would have on their financial situation.

Other reforms

- 2.10 This White Paper sets out plans for other changes:
- Changing the **contribution conditions for Jobseeker's Allowance and the Employment and Support Allowance** so that people only qualify for the contributory part of these benefits if they have paid contributions for at least 26 weeks in one of the two tax years prior to the claim.

- **Setting up a review of Housing Benefit.** We are currently reviewing the Housing Benefit system, looking at further ways to help ease the transition into work, promote value for money and ensure the Housing Benefit system is fair to working families not on benefits. This could mean some radical changes to the current system. We intend to launch a public consultation on Housing Benefit reform early in 2009.
- **Reviewing the Social Fund.** The Green Paper signalled our intention to consider the scope for the Budgeting Loans scheme to provide more effective help to allow people to overcome financial exclusion. The feasibility study, which was commissioned to look at the practical and financial implications of delivering the Social Fund in partnership with the private and third sectors, has now been completed. Following the study, we have announced our intention to move forward with plans to enable third sector organisations, such as Credit Unions and others, to come forward to deliver affordable credit and advice to Social Fund customers. More generally, we have begun a programme of discussion on the future of the Social Fund.

Chapter 3 – An empowering welfare state

- 3.1 We need to devolve power in welfare to allow us to draw on the expertise of the providers of employment support, local communities and individuals. Building on the Green Paper proposals, delivering on the recommendations from the Freud Report and developing the Department's Commissioning Strategy, this White Paper confirms our intention to:
- explore new ways of ensuring that providers offer increased support to those with the greatest needs;
 - develop a single employment programme which meets the needs of job seekers and others with a more personalised support path;
 - recycle benefit savings to finance more effective support – the 'invest to save' model, as proposed by David Freud; and
 - develop the Right to Bid for contracts to provide innovative services.
- 3.2 This chapter confirms our intention to devolve power to communities. It sets out the role of local providers and Jobcentre Plus in developing local delivery arrangements and contains a commitment to working with the devolved administrations. We set out in this chapter the three levels of local devolution that we intend to develop.
- 3.3 We also confirm our intention to devolve power to individuals, to allow them to design services that fit their needs, not the needs of the system. We confirm that we intend to legislate for a right to control for disabled people. This would allow individuals to make informed decisions about how to use the money available for their support. From 2010, we will pilot the right to control in a small number of trailblazing public authority areas.

- 3.4 This new focus on an empowering welfare state will mean that we can deliver the support that people need more effectively and efficiently. Our providers know their business – they will have the opportunity to deliver a better service for people looking for work. Communities all face different challenges: they must be part of the solution. And giving control to individuals will help them move more quickly on the path to independence and, where this is right for them, into work.

Devolving to providers

- 3.5 We are determined to harness the best of all sectors, making full use of the world class service offered by Jobcentre Plus and also using skills agencies, innovative local authorities and private and voluntary organisations. In February 2008, the Department for Work and Pensions published its Commissioning Strategy, which set out our vision for modernising and strengthening the welfare-to-work market. It opens the way for larger, longer contracts with providers rewarded for their success in helping more people into sustained work; where customers receive a more personalised and flexible service; and where delivery of employment support is integrated into local services. These principles are already shaping the commissioning for Phase 1 of the Flexible New Deal, which starts in October 2009.
- 3.6 We now want to go further. So we will:
- look at whether these principles can help us draw together a single employment programme from providers for people claiming the Employment and Support Allowance and those claiming Jobseeker's Allowance;
 - test innovative approaches for long-term incapacity benefits claimants, rewarding providers using the benefit savings from their success in helping people into work; and
 - explore how we can more effectively align or combine funding pots across government through shared commissioning.

A single personalised employment programme

- 3.7 The Gregg Review said that support needs to be based on individual needs rather than the benefit customers are receiving. We are moving towards this approach through the Pathways to Work and Flexible New Deal programmes and now want to see how it can be extended.
- 3.8 We plan to test a new employment programme from March 2011. This programme will combine Pathways to Work and the Flexible New Deal in a single, integrated, flexible employment programme for people claiming both Jobseeker's Allowance and the Employment and Support Allowance. We will also explore whether the proposals for lone parents with children aged three to six can also be tested in this programme.
- 3.9 To help us ensure that support in this single programme is not concentrated on the easiest to help, we will explore the feasibility of developing an 'accelerator' funding model as recommended by the Gregg Review. This funding model would pay providers more for each individual success as more individuals from particular cohorts find work.

Testing new approaches for people claiming incapacity benefits

- 3.10 For new claimants, we have already replaced incapacity benefits with the Employment and Support Allowance. In the Green Paper we announced our plans to transfer all existing incapacity benefits claimants to the Employment and Support Allowance between 2010 and 2013. Everyone will get access to support to prepare for a return to work, through the Pathways to Work programme. But we want to continue to improve and deepen the support we give, particularly to those who have been out of the labour market for a long time.

- 3.11 David Freud's report to the Department for Work and Pensions (DWP) in March 2007 recommended a radical new approach, harnessing the innovation of the private and voluntary sectors to deliver this personalised support. He proposed using the future benefit savings achieved from supporting claimants back into work to reward providers for each extra customer they successfully supported into sustainable employment, while at the same time allowing the providers greater freedom to innovate.
- 3.12 We will implement these recommendations. As David Freud advised, we will pilot his proposals before rolling them out. The pathfinders will begin in March 2011 in five regions. We expect that these new contracts will encourage providers to invest more of their own capital and be more innovative in the way they deliver their support. We will look to use the pathfinders to test the Gregg Review's vision of personalised conditionality for existing customers.

The Right to Bid

- 3.13 The Green Paper proposed a 'Right to Bid', reversing our traditional tendering approach, so that outside organisations could bid for contracts where they thought they could improve our services. Any innovative proposals which provide evidence to support their success will be considered for piloting.
- 3.14 A Bidder's Guide for organisations wishing to develop proposals was published on the Department for Work and Pensions' website on 17 October 2008. The Bidder's Guide outlines the Right to Bid approach and process, and seeks the engagement and commitment of providers. We will look to identify the best of these in spring 2009.

Devolving to communities

- 3.15 Just as no individuals have the same needs and ambitions, neither do communities. And just as the best way of tailoring advice and support to the needs of individuals is to ensure they play a full part in decisions, so we need to make use of local knowledge and experience wherever possible.
- 3.16 The Green Paper set out proposals for devolving more decision-making and responsibility wherever possible locally and to build new partnerships which will have the chance to innovate to meet local priorities. We have proposed three levels of devolution which would progressively increase influence and accountability at a local level. We believe that this approach will support a better alignment of funding streams while allowing local priorities to be met:
- **Level 1:** our new contracting arrangements will give contracted providers both the flexibility and incentives to develop appropriately tailored solutions to meet individuals' needs. We want the level of consultation which has been developed through the Pathways to Work and Flexible New Deal contracting process to be seen as business as usual across all our employment programme contracting and, in particular, to give City Strategy and other partnerships the opportunities to influence what we buy. We will also set out clearly the timeline for future commissioning and our longer-term 2015 vision, offering a clear end-to-end process for involvement in our commissioning and making localisation a part of specifications for employment programmes.

- **Level 2:** wrap around services within DWP contracts. We believe there is real opportunity here to align, at a more local level, the various funding streams which focus on employment, skills and individual support more closely with DWP commissioned provision. There are many ways in which level 2 devolution can be delivered, but we believe that the opportunity for sub-regional partnerships to add value to DWP contracts offers considerable scope to develop solutions to meet local circumstances. We have experience of developing shared commissioning (sometimes known as 'co-commissioning') in delivering skills provision. We intend to use the understanding gained from this work to inform future development of shared commissioning and will specifically work with City Strategy Partnership areas to expand our joint commissioning approach.
- **Level 3:** devolving contracting responsibility to sub-regional partnerships. At this level, we will be handing over money and responsibility for delivering outcomes to the locality. This means that DWP and other government departments could become a partner in a local procurement exercise, specifying the outcome requirements, but devolving the commissioning, funding and contract management arrangements to a local partner or joint commissioning body. We intend to move towards level 3 on a managed basis and believe that in the majority of cases, level 1 and level 2 devolution will meet the demands of partners and make a real difference to delivery on the ground.

Devolving to individuals

- 3.17 This chapter sets out plans for further devolution to individuals and their advisers, building on the proposals in the Green Paper. These are: plans to increase adviser discretion, proposals for piloting the right for disabled people to control the money used for their support, and extending the right to choose between providers.

Adviser discretion

- 3.18 As we noted in the Green Paper, the current Jobcentre Plus adviser regime, based on regular contact with customers, is effective. Advisers already have a considerable degree of freedom and discretion to help their customers but, as the Gregg Review makes clear, we could do more to use their expertise to improve and personalise services.
- 3.19 We have already started to learn from pilot schemes, underway since September in Derbyshire and South West Wales, how we can give advisers increased discretion across the system. These pilots will teach us a lot, and we agree with the Gregg Review that we would benefit from knowing whether increased discretionary funding for Jobcentre Plus advisers during the 'supported jobsearch' stage (between the 6 and 12 month stage) of a Jobseeker's Allowance claim could drive better outcomes. We intend to move quickly to test this concept.

A right to control

3.20 Recent studies of personal and individual budgets have shown that when disabled people have control over the services they receive it can have benefits for the individual:

- *In Control*¹ has undertaken evaluations of personal budget schemes for people with learning disabilities and other people receiving social care. In its analysis of users' experiences between 2005 and 2007, it found that over three-quarters of participants felt they had a better quality of life than before they had a personal budget. In addition, 72 per cent believed that they were now more in control of their lives.
- For two years (2006 to 2007), 13 local authorities took part in an Individual Budget pilot, focusing on users of Adult Social Care. The pilot was led by the Department of Health and also included services funded by the Department of Communities and Local Government and the DWP. Participants included older people as well as working-age disabled people with a range of different needs. The evaluation report shows 'individual budgets have the potential to improve outcomes for people without increases in costs, and with increased cost-effectiveness'. Additionally, 67 per cent of individual budget holders reported that they now had higher aspirations. Some groups, however, did not benefit as much as had been hoped from individual budgets and the report also highlighted administrative and legislative barriers to integrating funding streams. The report also found

¹ *In Control*, an organisation set up by the Department of Health and Mencap in 2003, is an organisation supporting local authorities to deliver Self-Directed Support.

that more evidence is needed on whether the benefits of individual budgets outweigh the costs.²

- 3.21 In our Green Paper, we asked for views on the ways in which disabled adults could exercise more choice and control over the support they require to go about their daily lives. We have consulted on what form provisions could take and whether legislation would be needed.
- 3.22 Consultation responses favoured the creation of a legislative right for disabled adults to have control over the services they receive from the State. Respondents told us that a right to control would help ensure that the support disabled adults require is based on their own needs and ambitions, leading to more satisfactory outcomes. There was a recognition that this is not about changing an individual's entitlement to support, but rather about changing the control people have over how support is delivered. As such, it would represent a shift in the balance of power from the State to the individual, empowering disabled people to take control over their own lives.
- 3.23 As a result of the consultation, our intention is now to create a right to control, rather than a right to request control over funding. It was felt, especially by disabled people receiving state support, that a right to request control would not ensure choice and control for disabled adults, since there would be no obligation on public authorities to honour such a request. However, as affordability and sustainability of services are essential, public authorities will take these into account when making decisions about the availability of the right to control, to ensure public funds are safeguarded.

² Glendenning C. *et al.* (2008). *Evaluation of the Individual Budgets Pilot Programme*. Social Policy Research Unit, University of York.

- 3.24 Before making a decision on whether to roll out the right to control nationally, we will test it in trailblazing public bodies. From 2010, we will test how the right will work, how it can deliver the best outcomes for disabled people, and what the costs and benefits are to public authorities. Only if we are satisfied that these pilots work will we take powers to roll out the right to control nationally.

How will the right to control trailblazers work?

- 3.25 Disabled adults who take part in the right to control trailblazers will be told how much they are eligible to receive in support and will be able to choose how that money is used to achieve outcomes agreed with the State. In the right to control trailblazers, disabled adults will be able to choose degrees of control over the monetised support they receive.
- 3.26 The individual will be able to receive a direct payment, continue to allow the public authority to arrange their support, or use a mixed approach. There will be no compulsion on disabled people to take state funding as cash; if individuals wish to continue receiving services commissioned on their behalf they will be able to do so.
- 3.27 Initially, we will pilot the right to control in a small number of trailblazing public authorities. These trailblazers will be used to build the evidence base on the costs and benefits of individual budgets and a right to control. We will encourage innovation and work closely with public authorities, providers and other key local stakeholders to investigate how the right would work on the ground.

Case study – how the right to control will work

Martin (26) has Attention-Deficit Hyperactivity Disorder (ADHD). He left school at 16 with three GCSEs and has had a series of jobs (mainly working in supermarkets and warehouses), none of which lasted very long because of his poor attendance and challenging behaviour. Martin's main interest is maintaining his motorbike and he has expressed a wish to become a motorbike mechanic.

Martin is told by his Disability Employment Adviser (DEA) that he has the right to control some of the support he receives. The Disability Employment Adviser helps him to write a Support Plan. The Support Plan is broken down into the steps that Martin, helped by his Disability Employment Adviser, thinks need to be taken to achieve the overall outcome of sustainable employment. The initial steps are for Martin to use his budget to:

- get help with his behaviour from a cognitive behavioural therapist;
- sign up for an accredited course in motorbike maintenance, using some of his budget to pay for the equipment required; and
- pay the bus fares into town so he can use the internet at the Library to participate in a discussion board for adults with ADHD. This helps him to feel less isolated.

The next stage of his Support Plan will set out what support Martin requires to get and sustain employment.

- 3.28 The right to control would include a range of support and services offered by different UK government departments and public authorities. However, a right to control will only apply to selected funding streams. For the trailblazers, we are developing a set of criteria that could be applied when considering whether funding streams should be included under the right to control.
- 3.29 Before we commence the trailblazers, we will consult widely with disabled people, service providers and other stakeholders to establish the best way to achieve the objective of providing choice and control while safeguarding and improving services. Stakeholders will be consulted on how DWP funding, particularly Access to Work, the Independent Living Fund and elements of our specialist disability employment programmes, could be included in the initial trailblazers.

The right to choose between providers

- 3.30 Customer choice is important, not only for individuals, but also as a means of driving performance and quality. We have plans to include a 'customer experience measure' to help customers choose between different providers of employment programmes. We are starting to develop this by undertaking research to explore what is important for our customers in choosing help to get a job.
- 3.31 We will provide information on provider performance, including success in delivering sustained employment and customer experience to help customers make an informed choice. Initially, this will be in areas where there is more than one Flexible New Deal provider after the contracts have been operating for 12 months and we have a track record on which to base an assessment of performance.

Chapter 4 – Personalised conditionality and support

- 4.1 This chapter provides the Government's response to Professor Gregg's Review of conditionality within the benefits system. This Review, *Realising Potential: A Vision for Personalised Conditionality and Support*, which ran alongside the consultation on our Green Paper, provides an important, independent, examination of the expectations which are at the heart of our welfare reforms. We warmly welcome this Review and will work to deliver its vision.
- 4.2 The Review makes a number of important recommendations about how to make our current systems more effective in supporting people back to work. In particular, the Review recommends that virtually everyone claiming benefit and not in work should be required to engage in activities that will help them move towards, and then into, employment. There would be two groups of claimants heading back towards employment, with different requirements that reflect their circumstances:
- the 'Work-Ready' group, who would be expected to meet existing Jobseeker's Allowance conditionality, but with certain groups receiving increased support; and
 - the 'Progression to Work' group who have a good opportunity to secure employment with time, encouragement and support. This group should face a new set of conditionality requirements based around their co-ownership of the return to work process.
- 4.3 The Review also proposed improvements to the benefit sanctions regime, making the right support available based on need, rather than what benefit people are receiving, and increased adviser discretion.

The Personalised Conditionality and Support Review

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

of engaging with, and having high expectations of, job seekers but leaving most other clients with infrequent contact and lower expectations. Instead, virtually everyone claiming benefits and not in work would eventually:

- have a personal adviser with whom they would be able to agree a route back to work;
- be obliged to act on the steps they agree with their adviser;
- have a clear understanding of the expectations placed upon them (and why) and what the consequences are for failing to meet these;
- be able to access a wide range of personal support on the basis of what they need not a benefit label; and
- have a requirement to engage in activity that will help them to move towards, and then into, employment.

4.7 While the approach builds on the current system, it also moves clearly beyond it in a positive way. It aims to increase the take-up of personalised help and support for those outside the job seeking regime. In practice, this means two conditionality groups:

- A **'Work-Ready'** group who face a largely rules-based set of conditionality requirements, based around active job seeking and aimed at those able to make a quick return to work. These requirements would be based around the current Jobseeker's Allowance job seeking regime. This group would include all those currently required to claim Jobseeker's Allowance and those lone parents and partners who will be moving to the job seeking regime.

- A **'Progression to Work'** group of people for whom a return to work is a possibility with time, encouragement and support and where their conditionality:
 - reflects the client's co-ownership of the return-to-work process;
 - is tailored to their capability and reflects their circumstances;
 - is based on activity that supports the client's own path to work; and
 - links up with effective support.
- The Gregg Review recommends this group should include people claiming the Employment and Support Allowance who are not in the Support Group, and lone parents and partners with a youngest child aged between one and six.

The 'Work-Ready' group

4.8 We agree that the requirements that apply to the 'Work-Ready' group should largely reflect those of the current Jobseeker's Allowance regime. In other words, we need a job seeking system for those expected to make a prompt return to work which is based around:

- an immediate and continuous focus on high levels of jobsearch and an ability to take up work at the earliest possible opportunity;
- self-directed activity to find work; and
- increased support accompanied by increasingly strong conditionality requirements.

4.9 For the most disadvantaged job seekers, the Review recommended speeding up access to the more personalised and supportive parts of the Jobseeker's Allowance regime. We agree and respond to this recommendation in Chapter 6.

The 'Progression to Work' group

- 4.10 We agree with the Review that we should start to create a 'Progression to Work' group in legislation, policy and practice. This will mean creating a new set of four interlocking requirements, asking people in this group to:
- attend Work Focused Interviews with their adviser at appropriate points;
 - agree an action plan with their adviser that sets out the work-related steps they agree to take to help them back to work;
 - undertake the work-related activities that support their own route back towards work; and
 - follow adviser directions as a last resort.
- 4.11 The action plan should cover the agreement with the client to take steps to move towards work search and into employment – even if the timescales for achieving it are uncertain. It will set out the specific steps the individual and adviser have agreed will be undertaken between now and the next Work Focused Interview. Work-related activity can be anything that both parties agree would support an eventual return to work. Such activity could vary considerably and may, at least at first, have very little directly to do with job seeking. Chapter 6 covers the proposed approach to assisting lone parents with younger children under the Review's proposals.

- 4.12 This conditionality is fundamentally built around a system of encouragement, agreement and shared ownership. Claimants in this group would never be required to apply for specific jobs, attend job interviews, take any particular form of employment, or place a pre-school child into inappropriate childcare. However, we agree with the Review that there would be some very limited situations where direction may be required. For example:
- when a client has a proven, significant barrier to work which they have been encouraged to address but have not taken the opportunity to do so;
 - when a client has been sanctioned for failing to undertake any work-related activity; or
 - when a client's return to work activities are proving ineffective and they are unwilling to consider other options.

Other aspects of the Gregg Review

- 4.13 The Review also made recommendations in a number of related areas:
- The **sanctions regime** should:
 - allow sanctions to be imposed quickly after the behaviour that triggered the sanction;
 - be made clearer through better communication, the introduction of early warnings about the risk of a sanction, generally, and, in the future, a move towards a system of fixed fines; and
 - deal better with repeat offenders through a clear and simple system of escalating penalties.
 - In addition, Professor Gregg recommends a root and branch review of sanctions which would include consideration of how to implement the longer-term sanction ideas. Chapter 6 sets out our response to these recommendations.

- Testing whether increasing Jobcentre Plus **adviser discretion** could help more people into work. Chapter 3 includes a section on adviser discretion.
- Active **engagement with employers**. Understanding the views and needs of employers – and drawing on their understanding of working life – is essential if we are to deliver the job opportunities which people need. Professor Gregg recommends in particular that we continue to test and evaluate existing initiatives which actively engage with employers. Chapter 5 sets out how we are building on Local Employment Partnerships and increasing the funding for Access to Work. We will work with employers to explore the potential for building on these recommendations to improve engagement.

Implementing the recommendations of the Review

- 4.14 Professor Gregg's Review provides us with a clear vision of a welfare state based on personalised support and widespread obligations to take up that support. The recommendations of the Review on the regime for the 'Work-Ready' group suggest we are largely already on the right lines. His recommendations on how to help those on other benefits through the 'Progression to Work' requirements bring a new focus to the personalised support that must be at the heart of our provision. The Review's recommendations on sanctions and adviser discretion also bring a new perspective to these hotly debated topics.

- 4.15 We intend to move quickly to begin reshaping our previously planned pilots so that we can test core elements of the Gregg Review. This will involve testing the 'Progression to Work' requirements for lone parents and partners of benefit recipients with younger children and new and existing claimants of the Employment and Support Allowance. We also plan to pilot sanctions escalation for those who repeatedly fail to engage with us. It will also be important that other professionals, families and carers providing support to individuals are encouraged to share these expectations as well. Of course, resources mean we cannot do all this immediately. We set out more details on how we plan to start taking the recommendations forward in the chapters dealing with specific policy changes.

Chapter 5 – No one written off

- 5.1 One consequence of the recessions of the 1980s and early 1990s was that hundreds of thousands of people were effectively written off on inactive benefits with no support to get back to work when the job market strengthened. We will not repeat those mistakes. Our vision is a society where there is equality for disabled people. We are determined to take the steps needed to help them build their capabilities and increase the power they have over their lives.

Context and progress so far

- 5.2 To support this goal, we have replaced incapacity benefits with the Employment and Support Allowance, and made support through Pathways to Work available nationwide. This has transformed the help available to disabled people and people with a health condition who are on benefits. Building on the Green Paper and the Gregg Review proposals, we want to go further in making sure that everyone gets personalised support, with a responsibility for them to engage with this support on their own journey back to work.
- 5.3 The White Paper confirms that we will build on this progress:
- reviewing the Work Capability Assessment to identify work prospects more effectively and to monitor recovery;
 - transferring current incapacity benefits claimants onto the Employment and Support Allowance to ensure they benefit from personalised back-to-work support where appropriate;
 - extending and improving support for both new and existing customers, with a greater expectation that they will engage with us;

- providing better support in and out of work for people who have mental health conditions or fluctuating conditions;
- removing barriers to work for disabled people by working with employers and doubling the support provided through Access to Work; and
- increasing support for disabled people and people with health conditions to stay in jobs.

5.4 In welcoming the Gregg Review (see Chapter 4), we agree that active engagement and support for disabled people and people with health conditions is the best way of moving towards this vision. So we are improving our medical assessment to ensure the right level of support can be offered and to make sure demands are not placed on anyone which might worsen their condition. We can also confirm that we will not be placing a requirement on anyone receiving the Employment and Support Allowance to actively seek work or apply for any job.

The Employment and Support Allowance

- 5.5 The Employment and Support Allowance was introduced in October 2008 to replace incapacity benefits for new customers. It provides a personalised programme of support, helping people to manage their health conditions and prepare for a return to work. For the vast majority, it is intended to be a temporary benefit which helps people make the most of their abilities. The new Work Capability Assessment focuses on what people can do as well as what they cannot do.
- 5.6 People in the Work Related Activity Group take part in Work Focused Interviews, draw up action plans with a personal adviser and have access to a range of support under the Pathways to Work programme. In return for this help, they are encouraged to take up opportunities to prepare for work. A minority of claimants, the most severely disabled people and those with

the most severe health conditions, will be placed in the Support Group. These claimants receive extra financial help and have access to Pathways to Work on a voluntary basis.

Reviewing the medical assessment

- 5.7 Continued advances in medical treatment mean that some conditions, which previously caused a high level of impairment, can be managed more effectively. Workplaces are always changing and new kinds of employment and opportunities are being created. This progress has enabled us to introduce the Work Capability Assessment, which is designed to identify those able to look for work immediately (who should not be on the Employment and Support Allowance); those whose condition means they should be able to return to work with appropriate support and encouragement; and those whose illness or disability means they are not currently able to prepare for work (the Support Group).
- 5.8 We are committed to monitoring the Work Capability Assessment. We will evaluate how effective it is in identifying the level of disability and health conditions among claimants throughout next year, and will publish a report. We envisage that, as a result of changes recommended by this evaluation, there will be around a 10 percentage point increase in those considered able to look for work straightaway and therefore eligible for Jobseeker's Allowance.
- 5.9 The Work-Focused Health-Related Assessment currently provides an opportunity for individuals to discuss their situation with a healthcare professional. We will undertake repeated and revised Work-Focused Health-Related Assessments to expand this interaction. These will focus on why people have had difficulties adapting or moving towards work and provide the opportunity to draw up a more detailed plan of what work might best suit them.

- 5.10 As well as looking at how individual claimants are working with healthcare professionals, we will establish a maximum period of two years between medical assessments and look at the process by which renewals are handled to make sure that people do not remain on benefit longer than necessary.

New Employment and Support Allowance customers: extending support

- 5.11 We had a positive consultation response to our focus on personalised support, tailored to individual circumstances. This focus was also backed by the Gregg Review. This White Paper confirms our intention to proceed with the Green Paper proposals, informed by the Gregg Review.

Work Focused Interviews

- 5.12 Work Focused Interviews are central to our successful Pathways to Work programme. Nationally, we will extend interviews to the two-year point of a claim to provide a longer, more comprehensive framework of engagement with personal adviser.

Work-related activity

- 5.13 To match extra support with higher expectations, from late 2010 we will test out Professor Gregg's vision of progression to work through eight pathfinders. In pathfinder areas, new Employment and Support Allowance customers will be asked to undertake **work-related activity** appropriate to their situation. With the help of a personal adviser, claimants will decide what kind of activity would be most suitable and beneficial for them. In some cases, they will be required to undertake activities specified by a personal adviser and for those with particular skills needs, or who are problem drug users, we will actively identify the extra support they need.

- 5.14 We will also test strengthening the role of action plans in guiding work-related activity in pathfinder areas. Activities which would help the customer back to work should be agreed by the individual and their adviser, and be recorded in the action plan, with a commitment to undertake at least one of the activities in the action plan.

Higher expectations

- 5.15 We recognise that the majority of claimants are best placed to decide their own path back to work as they know their own circumstances, needs and goals best. However, a minority may need more guidance. The activities they choose may prove to be ineffective over a sustained period of time. An even smaller number may refuse to co-operate with support from which they could benefit.
- 5.16 The Gregg Review recognised that on occasions conditionality would need to be stepped up where people consistently fail to engage effectively with the personalised support regime. In pathfinder areas, we will allow personal advisers to require claimants to take part in specific work-related activities where they are not complying with the requirements, have particular needs such as skill needs or they are problem drug users, or are not addressing their main barriers to work. We will seek to engage early with those who we think (following a skills screen or identification of problem drug use) could benefit from skills or drugs interventions.
- 5.17 We will ensure that a clear and comprehensive set of safeguards are built into the support we offer, making sure claimants are not required to undertake inappropriate activities. In particular, this power would never be used to force claimants to apply for or take up specific jobs, or undergo medical treatments that would clearly fall foul of human rights legislation or violate medical

ethics, professional codes of practice or clinical governance. We would also be clear about when sanctions would apply, so that people do not misunderstand them, or are sanctioned unfairly.

Community Allowance pilots

- 5.18 Community Allowance is a scheme proposed by CREATE, a consortium of organisations, where benefit claimants would undertake paid work to benefit the community in which they live, while continuing to receive benefit payments. We are committed to giving disabled people or people with health conditions the opportunity to try out work while still on benefit, to help them move into work. Working with the Department of Communities and Local Government, we have agreed that CREATE can pilot Community Allowance within the existing Employment and Support Allowance system.

Moving to the Employment and Support Allowance

- 5.19 In the Green Paper, we set out our plans to transfer all incapacity benefits claimants to the new Employment and Support Allowance between 2010 and 2013. As part of this process they will undertake the new Work Capability Assessment, which includes the Work-Focused Health-Related Assessment. In this way, we can ensure that the right people are claiming the right benefit and that they receive the best personalised support possible.
- 5.20 This change will allow those with the greatest needs to receive the level of benefit paid to the Support Group. We will ensure that the transition runs smoothly, and that our plans are flexible enough to adapt to changing economic circumstances as necessary.

Smoothing the transition to the Employment and Support Allowance

- 5.21 The Employment and Support Allowance (ESA) is a new benefit with a very different structure of rates and allowances. Over time, we believe it is fair to make sure that everyone receiving benefit because of sickness and disability is treated equally. This White Paper confirms that we will begin the process of aligning rates from April 2009. This will smooth the transition of existing incapacity benefits claimants moving to the ESA.
- 5.22 From April 2009, we will use the Rossi Index instead of the Retail Prices Index to increase benefit rates for all those on contributory Incapacity Benefit without an age addition. This change will mean that Incapacity Benefit, ESA and the other main out-of-work benefits are updated using the same formula.
- 5.23 Age additions no longer exist in ESA, as we no longer presume that people will never work again and need to be compensated for early retirement. The Green Paper proposed that many people with age additions would receive no cash increase in their overall benefit until the corresponding ESA rate caught up. However, following consultation and changes in the economic climate, we have decided that people with an age addition will receive a cash increase equivalent to half of Rossi.

Support for existing customers after the transition

- 5.24 As people move from incapacity benefits to the Employment and Support Allowance, we want to make sure that they benefit from personalised back-to-work support. Evidence shows that Pathways to Work can be effective for existing customers. Those in the Support Group will not be required to participate, but may volunteer for support if they so wish.
- 5.25 We do not believe that the same interventions will work in all circumstances, so we are proposing a range of approaches:
- For existing claimants aged under 50, a Pathways to Work style approach, including a series of three mandatory Work Focused Interviews. We believe that this is a significant but reasonable step towards better engagement with these customers. All will have access to further support on a voluntary basis.
 - A more flexible approach for most existing customers aged over 50, as the evidence shows Pathways to Work is more effective for younger claimants. Most customers over 50 will have a single Work Focused Interview, with the opportunity to take up further support on a voluntary basis. We will use a piloted regime to assess the specific barriers to employment these claimants face, and to test and gather further evidence on what might be most effective for this group.
 - Five larger-scale pathfinders, funded via an innovative arrangement with the Treasury, that will test how we can best help those who have been on benefit the longest not only to get jobs, but also to stay in them. These pathfinders are discussed in Chapter 3.

Promoting opportunity and equality

- 5.26 As we support disabled people and people with health conditions to move from inactivity to work we want to ensure they have the same opportunities to develop fulfilling working lives as non-disabled people. To do so we need to ensure that we have the right legislation in place to prevent discrimination. At the same time we need to work with employers so they understand the talent and potential that people in these groups can bring to the workplace.
- 5.27 We have asked employers already committed to recruiting and retaining disabled people, what more could be done to persuade other employers to develop and sustain the same commitment. They gave us two important messages:
- employers take more notice of the ideas of other employers and their support organisations than they do of government and pressure groups. So, we need an employer-led national campaign to engage more employers to recruit and retain disabled people; and
 - we need to work more effectively with employers to design and deliver processes that help disabled people get or keep jobs.
- 5.28 This is why we have asked employers, disability-focused employers groups and other stakeholders to help us build the foundations for an employer-led campaign. This campaign seeks to promote good corporate recruitment, retention and development practices. We will begin to review the impact of these events in January 2009. The outcome of this review will determine further action for us to take forward with employers and other stakeholders.

- 5.29 It is also important that we improve on existing in-work support mechanisms for disabled people. For example, Employment Retention Assessments are a valuable tool in considering reasonable adjustments when people acquire a disability or when an existing impairment worsens. We will work with and support employers and employees to develop guidance and good practice in this area.

In-work support for disabled people and people with health conditions

- 5.30 Evidence shows that work is generally good for health and inactivity bad for it. Yet, too often when people develop health conditions they leave work, often never to return. Dame Carol Black's Review of the health of the working-age population³ presented a compelling economic and social case for action.
- 5.31 The Review called for a new vision for health and work in Britain and made wide-ranging recommendations to the Government. It also urged other stakeholders to take responsibility – partnership working is essential if we are to succeed. The Government published its response to Dame Carol Black's Review,⁴ on 25 November 2008 and set out the measures that form the Government's commitment to meeting the challenge of working-age ill-health.

³ Black C. (2008). *Working for a healthier tomorrow*. TSO.

⁴ HM Government. (2008). *Improving health and work: changing lives*. Cm 7492. TSO.

- 5.32 Early intervention is the single most important determining factor in successful action to tackle long-term sickness absence. This is most effective when it is a workplace-based solution. Evidence of what works within vocational rehabilitation firmly points to this. Employers are best placed to know when to intervene and we know that some employers are playing their part. However, we know that many could do more.
- 5.33 Just as for customers on the Employment and Support Allowance who are supported back to work with action plans, in our Green Paper we set out plans to work with employers to encourage the use of voluntary back-to-work action plans for people who are on sick leave. These have proved a successful tool in countries such as the Netherlands, where employers and employees work together to develop a plan to facilitate a return to work once an employee has been absent from work for a period of time.

Understanding the needs of people with mental health conditions

- 5.34 The Green Paper drew attention to the fact that mental health conditions are now the single biggest cause of absence from work and of claims for incapacity benefits. Improving support for people with mental health conditions is vital. Our evidence on the effectiveness of Pathways to Work for people with mental health conditions has shown some positive results on employment, especially for existing customers. We are also looking at how we can use increased Access to Work funding to provide better support for people with mental health conditions in work.

- 5.35 We are working to develop the first ever cross-government National Strategy for Mental Health and Employment covering the full spectrum of mental health conditions, including severe mental health conditions. We have selected 12 Primary Care Trust pilot sites which, from spring 2009, will test embedding employment advisers as a core component of the Improving Access to Psychological Therapies (IAPT) programme. They will work alongside therapists, providing information, advice, guidance and practical support to help people with poor mental health remain in work or return to work as quickly as possible.

Enhanced disability employment provision

- 5.36 We recognise that some disabled people cannot work without more intensive support than services like Pathways to Work usually provide. On 11 November 2008 we published our response to a public consultation on proposals to improve specialist disability employment services. We said we wanted to create a more flexible provision, with a greater emphasis on helping those who can make the move into sustainable, unsupported paid work. For those who will have an ongoing need for support, we will ensure that support continues to meet their needs.
- 5.37 Better links between elements of provision and a greater focus on helping people into work would mean that our services were more capable of being able to meet the needs of each individual. Services would be tailored to what each customer needs to move into and stay in work. The responses we received were overwhelmingly supportive of the proposals we set out.

- 5.38 From October 2010 we will introduce a new programme that will, by 2014-15, help an additional 3,500 customers in supported employment at any one time. The new programme will have delivered an additional 5,000 progressions into unsupported employment by 2014. Some additional funding will be made available to achieve this. Available support will be customised to the needs of individuals and include vocational guidance, job search and application support, in-work coaching and helping with career progression.
- 5.39 In the Green Paper, we said that we would double the Access to Work budget and we confirm in this White Paper that we will do so. We are also piloting flexible Access to Work provision for people with a fluctuating mental health condition. This approach builds on the Support Worker element of Access to Work. Working with specialists in the field of mental health and work, we are using Support Workers to work with employers to develop solutions which are adapted to the different needs of each person. The support is available when it is needed, waiting in reserve to respond quickly when mental health deteriorates or problems emerge.

Chapter 6 – More support, higher expectations

- 6.1 Many people who lose their jobs find new employment within weeks. But the longer people are out of the labour market, the more difficulties they face in finding work. And this is a particular danger when the job market tightens because of an economic slowdown.
- 6.2 This White Paper confirms our intention, building on the Green Paper proposals and the Gregg Review, to increase both the support offered and activity required from those on Jobseeker's Allowance for extended periods. This includes plans to:
- improve access to skills training for those out of work, together with a mandatory skills assessment;
 - increase the expectations we place on more partners of benefit claimants in return for benefit payments;
 - trial Work for Your Benefit programmes for those still on Jobseeker's Allowance after two years, and those who may benefit from it earlier in their claim;
 - require job seekers with more complex barriers such as drug problems to take action to overcome these obstacles to work in return for benefit;
 - put in place a clear and progressive sanctions regime for those who don't meet their obligations; and
 - make the penalties for benefit fraud clearer and more effective.

Increased requirements for job seekers – the first two years

- 6.3 Our Green Paper proposals for job seekers build on the reformed Jobseeker's Allowance which will be phased in across the country, beginning in April 2009. These changes will be supported by initial contracts for the Flexible New Deal and will make more use of contracted employment support. This new approach means that we have a single structure for job seekers whatever their age.
- 6.4 Around half of all Jobseeker's Allowance claimants leave the benefit within three months, and three-quarters leave within six months. However, the minority of people who stay on benefit for more than six months find it increasingly difficult to get back to work, with the danger that short-term job losses become permanent unemployment.
- 6.5 As the number of job seekers rises, we must step up, rather than relax, support for those seeking work and the requirements on them. We are creating a new contract for this group, promising help with skills and help with employability. This will help to build a well-trained and motivated workforce for the future upturn. It will also help everyone make the most of their abilities, increasing their job prospects.

Work for Your Benefit

- 6.6 Our Green Paper set out proposals for a 'Work for Your Benefit' programme for people who are long-term unemployed. The aim of this programme would be to help people who have been out of work for a long time to learn or regain work habits and routines. We proposed testing this support for job seekers who have not entered sustained work after 12 months of the Flexible New Deal. This proposal provoked differing responses during the Green Paper consultation. Some were supportive, but others have suggested that this scheme could be seen as a punishment. This is not our intention. In line with the Gregg Review proposals, we intend that the full-time activity undertaken by participants in the pilot areas will provide substantial back-to-work support.
- 6.7 We will pilot Work for Your Benefit in a number of Jobcentre Plus districts to test whether it provides the support needed to help people back to work. We will require participation from a proportion of those who are still out of work at the end of the Flexible New Deal period. In pilot areas, job seekers who do not return to the 'supported job search' stage of the Jobseeker's Allowance regime will be required to participate in either:
- a full-time Work for Your Benefit programme involving full-time work experience for up to six months; or
 - an alternative programme delivered by Jobcentre Plus involving increased support and interaction to help long-term unemployed people find work.
- 6.8 In pilot areas, we will also test allowing Jobcentre Plus advisers to refer customers to Work for Your Benefit-type provision earlier in their Jobseeker's Allowance claim. In running these pilots, Jobcentre Plus will identify people who are not suitable for any of the three options. These will include people who need more intensive support, such as Progress2Work or Linkup and those who should not be on Jobseeker's Allowance.

A clearer, quicker and more effective sanctions regime

- 6.9 With the willing support of the vast majority of customers, our 'something-for-something' approach has helped more people move back into employment more quickly. But for it to work, there must also be some way of ensuring the compliance of those who may not be so willing. Sanctions are vital in supporting and enforcing the conditionality regime outlined in the Gregg Review. As welfare reform continues, we need to ensure the sanctions regime develops with it.
- 6.10 The Gregg Review noted that around a third of all referrals for a sanction are for failing to attend a mandatory interview or appointment, and 70 per cent of referrals result in a sanction being applied. As a result of people failing to attend appointments or work programmes, around 12,000 Jobseeker's Allowance claims end each month, but many of these job seekers return shortly after their claim has been closed down to start a new Jobseeker's Allowance claim. In this costly process of termination and reclaim, only one or two days of benefit are lost to the claimant, which is a poor deterrent at a high administrative cost.
- 6.11 We intend to bring forward new legislation to address this problem. It would no longer be possible for a job seeker to ignore a mandatory appointment. Those who do would be subject to a benefit sanction of one full week of Jobseeker's Allowance. We will also ensure that any subsequent failure to attend would result in a sanction amounting to the loss of two weeks' benefit.

- 6.12 We believe the use of actual violence, or the threat of violence by a small, but very disruptive, number of customers, is unacceptable. Aside from the impact on our staff, it can mean claimants are unable to take up the employment support on offer to them, resulting in them becoming distanced from the labour market. We will introduce a sanction which will tackle violent behaviour through a loss of benefit. This will give job seekers the clear message that avoiding conditionality through violence towards Jobcentre Plus staff will not be tolerated.
- 6.13 There is a concern that vulnerable groups, such as disabled people or people with a mental health condition are at particular risk from sanctions and their administration. We recognise this concern and we will continue to ensure that each individual's circumstances are carefully considered before imposing a sanction. We will maintain the safeguards which are already in place to prevent anyone being unfairly sanctioned.

Tackling benefit fraud

- 6.14 Benefit fraud is now at the lowest level ever recorded, with our latest estimate showing that by March 2008 we had reduced fraud across all benefits to just over half a penny for every £1 of benefit that we pay. However, we know that we need to continue to strengthen the deterrents and punishments currently in place to deter more people from committing benefit fraud in the first place.
- 6.15 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 with a view to obtaining from Courts, the authority for restraint and/or confiscation of identified assets. For repeat

offenders, 'Two Strikes' is a fixed 13-week benefit disqualification for anyone who is convicted of benefit fraud in two separate proceedings within a five-year period.

- 6.16 The 'Two Strikes' provisions enforce the principles of rights and responsibilities by ensuring that those who repeatedly defraud the benefits system can lose their right to financial support. It has been successful in deterring fraud. We now consider that the same principle should be extended to everyone who commits fraud and deliberately ignores the rules. This White Paper confirms that we intend to introduce a new sanction to reduce or withdraw entitlement to benefit for four weeks after a first benefit fraud offence (a 'One Strike' approach). This will extend the penalty to cover those who commit a first offence which results not only in convictions, but also administrative penalties and formal cautions.

New benefit rules for problem drug users

- 6.17 We said in our Green Paper that we thought the social and economic cost of drug misuse was unacceptably high. Evidence showed that many people who are dependent on benefit are also dependent on drugs. Work can also be critically important in helping people recover from drug dependency. This is why an integrated approach to drug treatment, employment support and the range of barriers that recovering drug users may face is so important.
- 6.18 Many drugs organisations and charities said they would welcome a stronger approach. They have said that they believe this will provide the impetus that many problem drug users need to move into and remain in treatment, provided positive support processes, such as a Treatment Allowance, are also in place. There was general support too for the wider policy aim of supporting drug users into employment, and integrating employment with treatment and rehabilitation.

- 6.19 This White Paper confirms that a new drug and employment support programme will be developed to provide integrated and personalised support for problem drug users on Jobseeker's Allowance or the Employment and Support Allowance. The programme will cover:
- support to stabilise the claimant's drug problem;
 - support to help build self-esteem and confidence;
 - steps to address barriers to work such as housing and debt; and
 - support to gain the skills needed to get ready for work.
- 6.20 Claimants who are identified as problem drug users will be referred for an initial assessment with a healthcare professional who will decide whether the individual has a heroin or crack cocaine problem, and will determine whether they should be referred to the new programme. Individuals will be required to engage with a personalised programme of support until they are ready to move onto the mainstream Flexible New Deal or Pathways to Work programmes. Regular feedback will be provided to Jobcentre Plus on their progress.
- 6.21 During the period they are on the programme, claimants will receive a Treatment Allowance. This will be paid within the existing structures of Jobseeker's Allowance and the Employment and Support Allowance, but the conditions of entitlement will be varied and replaced with a more tailored and appropriate set of conditions for supporting recovering drug users.
- 6.22 The introduction of this new regime will be facilitated by new drug co-ordinator posts in Jobcentre Plus. They will be introduced in England and funded by the Department of Health, from April 2009. There will be co-ordinators in each English district who will establish close links with Drug Action Teams and drug treatment providers in their area. The benefits system applies

across Great Britain, but health services are devolved in Scotland and Wales. Criminal justice is also devolved in Scotland. We are continuing to explore with the Scottish Government and Welsh Assembly Government if these measures can be extended to Scotland and Wales.

Working with former offenders

- 6.23 Helping offenders into employment is one of the Government's key social inclusion objectives under its reducing re-offending strategy and Public Service Agreement 16. We are therefore working to ensure that former offenders are offered a clearer route to achieve their employment potential. This will not be a 'guarantee of a job', but rather we would, for example, focus on the more effective directing of former offenders to existing training opportunities, and provide them with help and support in finding a job.

Volunteering and developing skills for work

- 6.24 Volunteering, alongside searching for employment, can help job seekers develop important work-related skills. In the Green Paper, we asked how job seekers could be encouraged to use volunteering as a deliberate back-to-work strategy within the current rules for benefit entitlement. The responses we received showed support for our approach to volunteering for people claiming Jobseeker's Allowance and provided valuable feedback on how we could further promote volunteering opportunities to claimants. Together with key representatives from the third sector, Jobcentre Plus is now following through with the project proposed in the Green Paper to look at how we can act on this feedback to encourage job seekers to volunteer alongside searching for paid work.

Equipping people with the right skills

- 6.25 People need the right skills to prepare for work and to progress in a job. People who are out of work should have the opportunity to identify and address their skill gaps through our improved services. People who are already in a job may need help to update their skills or to get advice about moving jobs and developing a new career. In 'Work Skills' we set out our ambition to bring together the commissioning of core employment and skills services and set up new trials to test how this will work.
- 6.26 Our Integrated Employment and Skills Service will offer opportunities to join up support, with independent assessment of skills abilities and needs. It will provide those who need help with opportunities to train for jobs in the local labour market. We will also test using the Integrated Employment and Skills Service to provide training and support for people in work.
- 6.27 The first trials of this Service started in the West Midlands in September 2008, with the aim of identifying and addressing the skills needs of benefit claimants. Key features include:
- an enhanced Jobcentre Plus skills screening process to identify those customers who have skills needs which prevent them from finding or progressing in sustainable work;
 - the introduction of a skills health check, delivered by *nextstep* advisers, to identify an individual's existing work-focused skills levels and those that they need to develop;
 - *nextstep* careers advisers working alongside Jobcentre Plus personal advisers to deliver skills and employment advice in the same place;
 - enhanced *nextstep* services, offering more in-depth support to those with the most severe skills needs; and
 - from early in 2009, we will begin testing Skills Accounts for Jobcentre Plus customers to help them keep a log of their training and understand the range of support they can get.

Increased requirements for skills assessment and attendance on courses

- 6.28 We have already announced our plans to pilot in England a requirement for job seekers to attend skills health checks and relevant training where their adviser has identified a lack of skills as a barrier to work. The Green Paper proposed piloting an extension of this new conditionality to lone parents on Income Support and people who start to claim the Employment and Support Allowance. We believe that the proposed changes will make a real difference to the job opportunities for the people affected, and that investing in skills in this way is vital to our welfare reforms. However, we recognise that the devolved administrations must have control over their skills resources and, should the devolved administrations not agree to supporting pilots of skills conditionality, we will limit these to England.

Skills for lone parents

- 6.29 A common theme in responses to the Green Paper proposals was the need for flexibility in training, with the flexibility to fit provision around lone parents' childcare responsibilities. We understand this and we have no intention to force people to undertake training that is not appropriate to their needs. This is why we will be introducing a skills health check for lone parents. The 'Progression to Work' conditionality proposed by the Gregg Review also requires us to reconsider the skills proposals for people with younger children.
- 6.30 We propose moving part of the way towards this vision by piloting the new conditionality for lone parents when the youngest child reaches three. We will expand the skills pilots for lone parents with younger children which we proposed in the Green Paper, to incorporate wider return to work activity as well as activity to address skills gaps.

- 6.31 Similarly, we will reflect on the Green Paper proposal to pilot a financial incentive for lone parents with younger children undertaking voluntary skills-related activity and how this fits with pilot arrangements which will take us towards the Gregg vision of a personalised conditionality regime, providing enhanced support for those preparing for work. To underpin the Gregg vision, we will be introducing legislation that will enable advisers to require lone parents with a youngest child aged three or over to undertake work-related activity, a skills health check and training where a lack of skills is identified as a barrier to employment.

Second chance learning option

- 6.32 This White Paper confirms our intention to extend Income Support and Housing Benefit from the present maximum age of 20 to 21 for estranged young people in non-advanced full-time education. This will allow them to complete their A-level courses. We will bring in this change from April 2009.

Skills support for people in work

- 6.33 It is important to ensure that people are given the opportunity to progress once in work. Access to training is key to this, especially for people from different cultural backgrounds. In integrating employment and skills services, the Government is committed to providing a seamless transition from pre-employment to in-work training supported through Train to Gain. This gives every employer access to a free Skills Broker service offering independent and impartial advice and matching training needs with training providers.

- 6.34 The full engagement of employers is essential if the Integrated Employment Service is to succeed. In January 2008, the Government set out its plans for a new deal between government and employers. In return for government support for disadvantaged people to get ready for work, employers with vacancies give them a fair shot at their job through interviews, work placements and mentoring. Local Employment Partnerships, delivered by Jobcentre Plus, are a key vehicle for this deal.
- 6.35 In addition we are developing an Integrated Employer Offer. This will allow all employers access to the appropriate range of recruitment, training and business support services offered by government agencies. Employers will be able to gain access to the service they require from any point of contact with government agencies and their contracted providers or partners.

Supporting more partners into employment

- 6.36 We must ensure that we are providing all those who can work with the support they need to make the move from benefits to paid work. Approximately 350,000 partners receive support through the benefits system. Currently, a couple can choose which one will make a claim for income-related benefit on behalf of the family. This person will normally be required to undertake some action to improve their employability. However, the other is required to do very little, even if they are fully capable of work.

- 6.37 This White Paper confirms our intention to introduce changes to benefit conditionality for partners taking a phased approach starting from 2012-13. Where both members of a couple are fit for work and do not have any children aged six or less, they will both be treated as part of the 'Ready for Work' group proposed by the Gregg Review. The requirement to be available for and actively seeking work would apply to both members of the couple.
- 6.38 Where one member of the couple who are claiming income-related benefits is capable of working but the other is not, for example because of illness, the only route to income-related benefit will be via Jobseeker's Allowance. The member of the couple who is capable of work will claim benefit on behalf of the couple and will have to fulfil Jobseeker's Allowance conditionality. The other member of the couple who has the health condition may still be able to establish that they have limited capability for work and, if eligible, will be able to claim contributory Employment and Support Allowance in their own right.

Chapter 7 – Ending child poverty

- 7.1 When children grow up in poverty, it can have a devastating impact on their life chances and lead to big costs for society. So ending child poverty is in everyone's interest and must be everyone's business. This is why the Government has committed itself to enshrining in law the goal of eradicating child poverty by 2020.
- 7.2 Encouraging parents to help contribute financially and emotionally to their children's upbringing is central to achieving this goal. This White Paper confirms the next steps we will take to work with parents to give every child the best possible start in life, including:
- bringing forward legislation to make it easier for unmarried parents to jointly register the birth of a child and strengthen the father's rights to register;
 - disregarding child maintenance fully in working out income-related benefits, from April 2010;
 - enhancing the powers of the new Child Maintenance and Enforcement Commission to collect child maintenance; and
 - supporting more parents into work, through a more active and personalised regime (as described in more detail in previous chapters).

Making progress

- 7.3 We have made significant progress in halting and reversing the trend of rising child poverty, with families in poverty benefiting from a substantial increase in government spending on services such as education, healthcare and housing. Since 1997, 600,000 children have been lifted out of relative poverty and absolute

poverty has been halved. We recognise that there is more to do. In 2006-07 there were 2.9 million children in the UK living in relative poverty. And some groups of children remain at particularly high risk of poverty, including children in large families, with disabled parents, or from black and ethnic minority backgrounds.

- 7.4 Ending child poverty is in everyone's interest and must be everyone's business. Achieving this goal requires a sustained national effort involving national government, devolved administrations, local communities and service providers, as well as business and the voluntary sector. It also needs the sustained effort of families themselves to take up the opportunities on offer.
- 7.5 By enshrining in law our goal of eradicating child poverty by 2020, everyone will know they are working to a set, clear goal and have the confidence that government will do its part so they can do theirs. Such groundbreaking legislation – to be introduced in a Child Poverty Bill in 2009 – will ensure a real focus on ending child poverty for the long-term and an emphasis on tackling the underlying causes of poverty rather than just treating the symptoms.

Child maintenance disregard

- 7.6 In October 2008, we introduced changes to the way that maintenance payments affect benefits, by increasing the amount of maintenance that all parents with care on benefits can keep before it affects the level of support they receive. This is known as the maintenance disregard.
- 7.7 People responded very positively to our Green Paper proposal to extend the maintenance disregard. We can therefore confirm that a full child maintenance disregard will be introduced in all income-related benefits from April 2010.

Child maintenance compliance measures

- 7.8 Some non-resident parents will always do everything they can to avoid their responsibilities to support their children financially. We believe that a strong and robust enforcement regime is therefore critical to tackle those people who wilfully and culpably fail their children and to deter others from doing so.
- 7.9 This White Paper announces that we will bring forward legislation to give the new Child Maintenance and Enforcement Commission the power to disqualify a non-resident parent from holding or obtaining travel documents, such as a passport, where they wilfully refuse to maintain their children.
- 7.10 Information is crucial to a fair and effective child maintenance system. Under existing arrangements, failure by the non-resident parent to supply the required information or to knowingly supplying false information is a criminal offence. In both cases the offence can be tried only in the Magistrates' Court (or a Sheriff Court in Scotland) and carries a maximum penalty of £1,000. Proceedings for offences that can be tried only in the Magistrates' Court must begin within six months of the offence.
- 7.11 There are circumstances, which occur too frequently, when this rule leads to a failure to prosecute non-resident parents who are deliberately providing false information. We will therefore extend the time-bar to 12 months to allow discovery and proper investigation of the offence and help to bring about the flow of information necessary to establish and collect child maintenance payments.

Work is the best route out of poverty

- 7.12 The changes to the maintenance disregard will mean that lone parents on benefits who are in receipt of child maintenance will be better off, lifting many of them out of poverty. But remaining on benefits, with or without maintenance, is not the best long-term option for lone parents or their children. A child of a lone parent is three times less likely to be in poverty if they work part-time. This increases to eight times less likely if the lone parent works full-time.
- 7.13 We have already made significant progress. Around 320,000 more lone parents are in employment compared with 1997, reflecting, for example, our innovative, active, labour market policies and increased investment in childcare that has led to a doubling of available places in England since 1997. In November 2008, we introduced new benefit rules so that lone parents receive extra support to help them into work. Over time, most lone parents of older children, who claim Income Support solely on the basis of being a lone parent, will stop being entitled to this benefit. Most will move onto Jobseeker's Allowance.
- 7.14 For work to be the best and most sustainable route out of poverty, we must ensure that work pays. We have introduced measures to ensure people do not lose out when moving off benefits and into a job, including through the introduction of the National Minimum Wage and tax credits. We also provide a number of payments when people move from benefit and into employment, including the Return to Work Credit within the Pathways to Work programme and the In-Work Credit for lone parents.

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