

Briefing Note: 'No one written off: reforming welfare to reward responsibility'

Introduction:

The Green Paper sets out the government strategy for reform of the welfare system. It is considered that people need to make a contribution, aspiring to reach their full potential and taking responsibility for their skills needs. The rationale of the proposed reforms is the success of previous changes to welfare programmes in the preceding eleven years such as the 'New Deal'. The overall goal is "to make sure that no one is written off. We want to provide support that is tailored to each person's needs and to give everyone the opportunity to develop skills so they can find, and get on in, work. In return, we will require people to make full use of the support from which they could benefit" (DWP, 2008: 12). The objective is a social revolution; in which an 80 per cent employment rate is achieved, social exclusion is reduced by improving employment prospects for people facing the greatest disadvantage, ending child poverty and equal rights for disabled people.

An obligation to work:

- Enshrine a greater responsibility to work. Help people find and retain work through support more personalised to individual need but, in return, those who are able will be expected to take a job if it is available.
- A 'something for something' approach applies to everyone. However, it is recognised that there will be people with multiple and complex problems who need additional support to meet their responsibilities. There will be a commitment to ensuring that conditionality is personal, appropriate and fair for every individual.
- The most severely disabled people or others with full-time caring responsibilities would not be required to look for work. However everyone else will be required to take active steps towards employment and to take suitable jobs.
- A lack of skills will no longer allow people to remain on benefits. Legislative powers to be implemented to require those who need it to undertake training to help them get into work.
- The longer people claim benefits, the more they will be expected to do.
- It is explained that the vast majority of unemployed people want to work and nine out of ten people claiming Jobseeker's Allowance (JSA) leave the benefit within a year. It is suggested that the 'New Deal' and now 'Flexible New Deal' are contributing towards reducing unemployment successfully.
- The current system works adequately for most people. However, some people could be getting back to work quicker or staying in for work longer. The system will be reformed so that the longer someone is on out of work benefits, the more help will be offered and the more activity will be required of them after the initial interview for JSA benefit.
- Further legislation will be introduced to underpin people's obligations to work. These include: tougher sanctions for those who fail to take steps to get back into work or refuse to take a job; and a requirement for those identified as having problems with crack cocaine or opiates to taken action to stabilise their drug habit and to take steps towards employment, in return for receiving benefits.

No one written off- more support, more responsibility:

- The system for unemployed people will be the most demanding. However, there will be much greater emphasis on helping people on other benefits into work. Over 2.6 million people – far more than receive JSA – receive incapacity benefits. Most want to work but many have been left abandoned on these benefits for years. Incapacity Benefit (IB) was fundamentally designed to actively discourage people from looking for work. Hence, the proposed reforms to IB.
- The government has legislated to replace incapacity benefit with ESA (Employment And Support Allowance). It is planned to move existing IB claimants onto ESA. Between 2009 and 2013, all incapacity claimants will be reassessed using a medical assessment called the Work Capability Assessment (WCA). As a result some people will no longer qualify for incapacity benefits and will be able, instead, to claim JSA and receive back-to-work support through that regime. Those who qualify for ESA will be placed either in a Work Related Activity Group or a Support Group. Those in the Work Related Activity Group will be expected to engage with a personalised programme of back-to-work support; those in the Support Group will be able to participate in this programme on a voluntary basis and will receive a guarantee of a higher basic rate of benefit than on IB.
- It is recognised that work is generally good for people's well-being. Medical Assessment will ensure that people receive the right benefits. Claimants will be more frequently reassessed providing extra opportunities for people to talk to a medical professional about their back-to-work plans.
- In the past, being on IB could mean being left forever without receiving any help to manage or improve a medical condition so as to prepare for a return to work. A Return to Work Credit of £40 per week will be available for all eligible IB and ESA claimants for 52 weeks after their return to work.
- All claimants who are placed in the Work Related Activity Group will receive personalised support modelled on the successful Pathways to Work programme. For everyone in this group, help will be improved, for example with counselling for those suffering from depression or pain management for those with musculo-skeletal problems.
- For the vast majority, ESA will be a temporary benefit, supporting people until they recover from their health problem or are able to adapt to their new circumstances. In return for this support, people will be required to engage with us, working with a personal adviser to draw up a timetabled back-to-work action plan including Work Focused Interviews. Powers in the Welfare Reform Act 2007 require new customers in the Work Related Activity Group to undertake general work-related activity. Customers who do not meet these requirements will have their benefit reduced.
- The aim is to ensure that everyone benefits from personalised support. Those with the greatest needs will be in the Support Group in ESA and will be able to volunteer for Pathways. They will receive a higher basic rate of benefit from October this year – £102.10 a week compared with £86.35.
- Private, public and voluntary sector providers will be used to deliver this back-to-work support. They will be able to invest more up front and then be rewarded from the benefit expenditure they save – the model proposed by David Freud in his report to the Department for Work and Pensions, published in March 2007. As he recommended, this approach

will be tested in five cities and sub-regions, to learn what works before extending it.

- These measures complete the reform of IB. They aim to create a system focused on what people can do rather than what they cannot. Everyone will have the support they need to overcome their health problem and move into sustainable work. In return, it will be made clear that for the vast majority, ESA will be a temporary benefit and people will be expected to take reasonable steps to move into employment.

Helping people remain in work:

- Helping people to stay in work when they become disabled or have a period of ill-health is considered to be the best way to keep them in touch with work and to reduce the numbers moving onto benefits. Dame Carol Black's report into the health of Britain's working-age population warned that there was insufficient access to support in the early stages of sickness. She also found that the present sicknote system focuses too much on what people cannot do and can impede recovery and a quicker return to work.
- She called for an overhaul of the sicknote system and for an improvement in back-to-work support services provided by the National Health Service and the Department for Work and Pensions. Therefore, the recommended Fit for Work service will be piloted, bringing together health and employment support to help people in the early stages of sickness absence. There shall be consultation with doctors and employers to ensure that the sicknote system is focused on helping people to stay in work or make a rapid return to work whenever appropriate.
- When people become disabled, many could stay in work with greater help – or get back into work subsequently. The successful Access to Work Programme provides this help – with specialised computer equipment or a British Sign Language interpreter, for example. But at the moment, too many people do not find out about this help and are left out. The budget will be doubled for Access to Work so that more people find and retain a job.
- There will be greater financial support to help people who move from benefit to work to stay in work. In-Work Credits have been introduced giving eligible lone parents £40 a week (£60 a week in London) throughout their first year in work.

Devolving power to personalise support:

- The standardised approach for different categories of claimants will be reformulated to one personalised to the needs of each individual. To achieve that personalisation, power will be devolved so that our services can be flexible. Therefore, a triple devolution is planned: for advisers, for providers and for local communities.
- Jobcentre Plus is recognised as one of the best back-to-work agencies in the world. Its staff have unrivalled knowledge of their customers and their needs; and have a superb record of delivering core back-to-work support. Therefore, Jobcentre Plus will be further supported, by giving its

advisers greater flexibility to tailor their support to the individual needs of their customers.

- Power will be devolved to the local level. Local partnerships will be given more influence in drawing up contracts for back-to-work services and monitoring their performance. For the most ground-breaking areas, further flexibility will be available. If Communities prove their leadership and show they are bringing additional resources to the table to experiment with new approaches such as the Fit for Work services or full-time activity programmes. They will be given the power to choose providers and even allocate European funding.
- The aim is to make the most effective use of the public, private and voluntary sectors. The question is not which sector delivers but who, within any of those sectors, can deliver it best. Therefore a new 'Right to Bid' will be introduced for public, voluntary and private providers that believe they could deliver any part of services more effectively. It is suggested that making services contestable in this way will improve the performance of existing providers and open up the system to new and better approaches.

A right to control for disabled people:

- It is proposed that disabled people will be given a right to request control over the support they receive. This would build on the experience of individual budget pilots. Many disabled people have little effective control over the services they rely on for support. Instead, these pilots have given people a budget for support and enabled them to decide how that budget was used.
- There will be a consultation on how this approach could be extended. In particular, this might include giving disabled people the ability to pool the funding from more of the different types of support they receive. The aim would be to give them the right to know the value of the support to which they are entitled and the ability to request that support as an individual budget. The disabled person would need an agreement about the outcomes for which they will use the budget and how they will go about doing it. This approach could empower disabled people to shape support to their own needs or to choose a different provider if they were not getting the help they need.
- It is stated "evidence shows that individual budgets can be successful in improving people's satisfaction with the services they receive. There are big potential benefits if they can also provide better value for money and if we can get this right" (DWP, 2008: 18).

Simplifying the benefits system:

- It is explained that the complex benefits system obscures choices and obligations and creates perverse incentives. It is complicated for both our staff and customers this makes it harder to tackle fraud. Simplifying the benefits system may help to direct people towards work and reduce the still significant overpayments caused by fraud and error.
- It is desired that the system as a whole fits together properly, meeting specific needs in a timely way. The changes in incapacity benefits

proposed in the Green Paper will build on existing plans by taking steps towards aligning benefit rates across incapacity benefits and ESA. Income Support will be abolished as the system becomes based on two benefits – JSA and ESA.

Conclusion:

It is contended that these reforms will help people who have been written off for too many years. They will ensure the right people are receiving the right benefit and that everyone will get the personalised support they need – drawing on the expertise and innovation of the public, private and voluntary sectors. The support for disabled people will be transformed by ensuring that everyone can access help to get back to work and giving people far greater control over the support they receive.

In return, people will be required to engage with this support and take reasonable steps to prepare for, and then move into, work. For those who have been unemployed for a long period or who are thought to be playing the system, strong test measures will be applied – including full-time work in return for benefits. There will be no choice between working and a life on benefits. If people can work and there are opportunities available to them, they will be expected to do so.

It has been stated that over the last 11 years the welfare state has been transformed from being essentially passive to profoundly active. The reforms in this Green Paper complete that transformation, “to create a system that promotes a work culture rather than a welfare culture, rewards responsibility and ensures that no one is left behind” (DWP, 2008: 19). It will be delivered by a network of public, private and voluntary service providers, focused on the individual needs of the customer where the rights to benefit are matched with personal responsibilities.