



**No one written off:
reforming welfare to reward responsibility**

A response from WorkDirections

October 2008



WorkDirections UK is a member of the Ingeus Group of Companies

Response to No one written off: reforming welfare to reward responsibility

Summary

The Ingeus Group, of which WorkDirections is a subsidiary, has over 19 years' experience of delivering welfare-to-work programmes in the UK, France, Germany, and Australia. WorkDirections has been providing high quality welfare-to-work services in the UK since November 2002. We deliver employment services to those disadvantaged in the labour market through Pathways to Work, New Deal for Disabled People, Private Sector Led New Deal and Employment Zones, as well as programmes funded by the European Social Fund, Learning and Skills Council and Tower Hamlets Primary Care Trust. Through this response, and other publications, we hope to continue to generate ideas which might lead to the development of programmes which are better able to empower people socially excluded by worklessness to gain sustainable employment.

We are delighted to have the opportunity to submit this response to the July 2008 Green Paper, 'No one written off: reforming welfare to reward responsibility'. In addressing the issues raised in the Green Paper, we have drawn on the experience of our staff and clients, consulting through focus group discussions with over 200 WorkDirections staff, including employment advisors, health professionals and managers.

It is difficult to predict the impact of the changing economic circumstances on the labour market and employment programmes. We support the Secretary of State's recent comments that it is critical that the increase in numbers of people who are newly unemployed does not detract from the needs of those who have been unemployed for a longer period, and the efforts of providers and the Government to engage and include them in the labour market.

Our response is divided into two sections: responding to the diverse needs of clients and promoting sustainable employment through welfare reform. Underpinning our response is our commitment to support people into decent, lasting jobs and play a partnership role in the Government's commitment to an 80% employment rate.

Responding to the diverse needs of clients

Individualised interventions sit at the heart of the WorkDirections approach and we support the Government's intention that no one should be written off. In the current economic climate, and with rising unemployment, it remains crucial to ensure that people do not become socially excluded through worklessness.

The relationship between the advisor and the client - and the flexibility available to design interventions to meet the specific needs of each individual - underpins the success, or otherwise, of welfare-to-work programmes in reaching those furthest from the labour market.

We welcome the extension of employment support for those who are over 60 and efforts to support problem drug users, partners of benefit claimants and those who fall ill whilst in work. We also support moves to increase the Access to Work budget and the development of a national strategy for mental health and employment.

We are concerned, given the deteriorating economic situation, about the need to provide our clients, in particular the very long-term unemployed, with greater support, as the labour market becomes more competitive and there are a smaller number of job vacancies. It is critical that Local Employment Partnerships (LEPs) continue to engage with those who have been out of work for a longer period.

In this section we discuss the Work for your benefit proposals, problem drug users, disability and long-term health conditions, and partners of benefit claimants.

Work for your benefit

“... because of my lack of experience she said, why don't you do voluntary? And at first I was like...go away. I don't want nothing to do with voluntary because you don't get paid. But she said just consider it. So I went to the voluntary service in Nottingham and...I phoned up one place and I'm actually doing voluntary work twice a week for an organisation, and so far I would say that's helped me more than anything else, because it's given me something to get up for in the morning. And you feel like you've got a purpose, even though I'm not getting payment for it...

Jobseeker's Allowance client, Nottingham, 2007.

The Green Paper proposes to pilot a new programme that would constitute Stage 5 support for clients completing flexible New Deal (fND). We have drawn specifically on our experience from the UK and Australia in this response. Within the New Deal, WorkDirections delivers full-time mandatory work-related activity for a period of three to six months: the Intensive Activity Period (IAP). This requires every client to undertake a minimum of 30 hours a week of work-related activity, at least four hours of which is concentrated job-search. Through our subsidiary company, 'Your Employment Solutions', in Australia, we delivered Work for the Dole projects in the warehousing, catering and gardening sectors. Work for the Dole provides mandatory unpaid work experience to people unemployed for six months, and required hours vary according to age and circumstances.

Reflecting on our experience we believe the following issues need to be taken into account when developing Work for your benefit or other Stage 5 pilot programmes:

- **Clear programme objective**

It is critical to have a clear programme objective. WorkDirections supports a programme which retains a clear sustained employment outcome as an objective linked to the Government's commitment to achieve 80% of the working age population in employment.

In Australia, the implicit policy intention of Work for the Dole was to 'shake the tree' of benefit claimants not declaring paid work, or not intending to work. It was therefore originally regarded as a 'mutual obligation' rather than an employment programme, and as a result programme performance has been defined in terms of attendance hours rather than employment outcomes. For those delivering the programme, the incentive was therefore to keep people on the programme rather than moving them into work.

It will be critical to ensure that participation in a community work programme does not stigmatise clients and potentially undermine the benefits that many could gain from community or work placement. The attitude of employers towards those participating in such a programme will be key. If it is perceived to be a programme for those who are fraudulently claiming benefits, it will undermine rather than strengthen clients' chances of moving into work.

- **Clear decision-making criteria and process to decide who will benefit from the programme**

The impact assessment attached to the Green Paper outlines the process for identifying who will be referred to Work for your benefit. Jobcentre Plus (JCP) staff will need training and support in order to identify which clients need additional support, those who need more time with a provider and those who will benefit from this programme. The predictions of flow rates onto the programme will also need to be adjusted to take account of the impact of the current economic climate on the labour market.

We would welcome further clarification about the role of providers in the process of referral to Work for your benefit. Any system must be streamlined and as efficient as possible, taking into account the constraints of the JCP budget and challenges of data sharing between providers and JCP. New processes must seek to minimise duplication of information required from clients.

Experience from existing programmes highlights potential criteria for those who would gain most from a Stage 5 programme. It is important to look at what employment constraints could be addressed, to inform both programme design and client selection.

We asked some of our experienced Employment Zone advisors to review the cases of our clients who finished the programme without finding work over the last quarter. There were four key characteristics which the majority of these clients shared and which this new programme could seek to address: lack of work experience or gaps in work history, skills gaps (not necessarily Level II skills, but communication issues), low motivation and a job goal beyond their current capabilities. A well-designed Stage 5 programme, with a clear goal of supporting people into lasting employment, would need to address these challenges.

Our experience of the IAP programme has demonstrated the potential of increased activity levels and work experience for those clients who have no previous

experience of work, a large gap in their employment history or those who need work experience in their chosen industry. However, there will need to be sufficient flexibility and discretion in the system in order to cater for the individual needs of all new Jobseeker's Allowance (JSA) claimants, including lone parents and carers moving onto JSA.

- **Tailored programme linked to client needs**

Experience from IAP and from Work for the Dole shows that, when clients are engaged (within a mandatory programme) in a programme tailored to their needs and job goal, they can feel positive about the experience, and progress into work.

It is our experience that clients engage positively with the opportunity for work experience where they can see and understand the benefit such an option will bring to their job-searching. Before a New Deal participant commences the IAP, they undergo an assessment to determine which package of support will best address their constraints to work, and construct an Action Plan outlining what this support will look like, and what will be expected of the client in terms of engagement and activity levels.

Experience from Australia

'Community Work Coordinator (CWC) staff are aware that they may encounter resistance and negative feelings among people referred to the programme. Having learned that people will not attend if they are not interested or happy, despite the threat of sanctions, CWCs work hard to offer a range of placement choices, in many cases tailoring placements to meet individuals' needs and interests. The efficiency indicator, attendance hours, supports these management priorities.' *Choice and Voice in Welfare Reform, WorkDirections, June 2008.*

Limiting work experience to the community sector will likely reduce the number of employment industries in which it is possible to source placements, as well as limiting capacity. It will also reduce the opportunity for clients to gain paid employment at the end of their placement. The focus of Work for your benefit must always be what will move the individual closer to the labour market, whatever sector the work experience is best gained in.

Many clients move into work during the IAP. WorkDirections believes that it is crucial that any community work programme must allow adequate time for supported job-searching alongside work experience activities. Our experience has been that the combination of advisory support and encouragement, alongside the opportunity to gain work experience, is positive for many clients.

- **Capitalise on progress made by clients**

It is critical that, once clients have benefited from community work or increased activity, if Stage 5 constitutes a time-bound programme, the progress that has been made is capitalised upon, potentially with clients moving back to fND at this point.

- **Procurement of Stage 5 programmes**

A Stage 5 programme should have a clear programme objective which should be underpinned by a procurement process that pays for outcomes (sustained jobs). We look forward to further information about proposed pilots for 2010.

Question 1: How long should ‘work for your benefit’ last at different stages of the claim?

The length of an employment-outcome focused programme of community work or other work-related activity should depend on the individual client and the support, skills and experience they need to move into work.

At the beginning of the programme clients should agree an Action Plan, which identifies where the client is now and where they want to be. This will help to monitor the success of Work for your benefit in addressing constraints to work.

It will be critical for the client and for the organisation which is hosting the placement to have a clear timeline for the placement. The length of the placement could be determined by asking a series of simple questions at the action-planning stage: what are the constraints that the client is facing, what does the client need to gain (e.g. work experience, work habits), how long will it take to gain the relevant skills, knowledge or experience, and how can progress be verified so that it is clear that the client will be able to progress?

If this work experience is to be beneficial to both the client and the organisation hosting them it is important it is of sufficient length, which will differ from person to person. WorkDirections’ lone parents clients who currently use voluntary work as a stepping stone to paid work average seven weeks on a placement. The period of work placement should be sufficient to allow an individual to update skills, make new contacts and inculcate new work habits.

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

As we have previously outlined, it is critical that programmes have employment-outcome based payments with additional payments for sustained employment outcomes, as well as a service fee.

WorkDirections has had positive experiences of working with community and voluntary sector providers. Our highest performing partner for the IAP is a voluntary sector provider, with 80% of clients referred to them moving into work. However, we believe that clients would benefit from a wider source of placements to address their needs and there may be a challenge of capacity within the community and voluntary sector to provide placements at Stage 5.

The focus of Work for your benefit must always be what will move the individual closer to the labour market, whatever sector the work experience is best gained in.

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

We believe that introducing Work for your benefit as an alternative to a sanction would create the perception that it is a punitive measure. This could potentially create stigma for those referred to it.

We would, however, support further efforts to address issues with the current sanctioning process. Sanctions work best where there is immediate ‘cause and effect’. For example, in Australia, benefits can be suspended until the client

returns to see the provider. In the UK, we have experienced the ineffectiveness of sanctions in re-engaging clients, often due to the delay between raising a doubt on a claim and the sanction being applied. When a sanction is felt by the client many weeks after the non-compliance, the causal link is lost.

Problem drug users

Our employment advisors and health professionals work with clients whose drug and alcohol misuse acts as a constraint to them moving into work, both on JSA programmes and on Pathways to Work (Pathways). At a local level, we ensure that the employment support we provide works in tandem with drugs services and we have drawn on this experience in our response.

In principle, we welcome the Government's objective of ensuring that those who are in need of support to tackle their problem drug use can access it. However, there remain challenges in terms of dealing with disclosure and linked sanctions. A very small percentage of our clients are 'problem drug users'. We are concerned that, in an attempt to identify this small number of people, advisors might negatively affect their rapport with all clients.

In addition to this, we support simplification of the benefits system. Therefore, the rationale for the introduction of a 'treatment allowance', to replace other benefits while someone undergoes treatment, is unclear from current proposals.

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

Whilst we support efforts to provide 'problem drug users' with access to rehabilitation services, we have concerns about some elements of the proposed system for the identification of problem drug use. Specifically, we are concerned about how the proposals might work against the rapport needed to engage clients. It could also potentially lead to threatening behaviour towards staff. When clients are open about their drug dependency issues, our advisors make them aware of appropriate support, and regularly engage with local drug and alcohol abuse teams to facilitate referrals.

However, for clients who are not open about their dependency or misuse, it can be a long process for advisors to engage clients in discussions about the issue, especially when clients may fear mandatory rehabilitation or their children being taken into care.

Our health professionals are also concerned about the efficacy of mandatory rehabilitation: if clients do not want to enter a treatment programme and have not been convinced of the benefits, they are unlikely to engage and the outcome will be affected.

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

Critical to an integrated system of drug treatment and employment support will be joint action-planning between drug and employment specialists, and attention to transition points within a client journey. As someone exits rehabilitation it is important to engage them quickly in employment programmes if that is the recommendation of the drugs specialists with whom they are working. Other specialists may also need to be engaged, such as housing professionals.

Greater coordination between employment service providers and drug and alcohol rehabilitation services should be encouraged, and we welcome the creation of drug coordinators within JCP. It is important to note that despite increased funding, high quality rehabilitation is not available in all areas.

In addition, addressing long-term drug use within the time frame of current employment programmes (particularly JSA programmes Employment Zones and New Deal) in a way that allows clients to enter and sustain in work will not be possible in all cases. These are often clients who have an erratic lifestyle and repeatedly fail to attend appointments. Some clients may need to address their drug misuse or learn to manage their addiction before they can actively engage in looking for work, and greater flexibility within employment programmes to ‘stop the clock’ for these clients whilst they address their addiction would be useful.

The elements of an employment support Action Plan can potentially reinforce rehabilitation. For example, there may be useful learning from increasing activity levels, support for dealing with anxiety and stress, and elements of the condition management approach used on Pathways programmes.

Disabled people and people with long-term health conditions

The Ingeus Group and WorkDirections have significant experience of working with disabled people and those with long-term health conditions. In Australia, Ingeus delivered vocational rehabilitation services for over 15 years so we particularly welcome the announcement of the Fit for Work pilots and the re-iteration of the commitment to reform the statutory medical certificate.

We deliver Pathways in six districts, working with incapacity benefits and Employment and Support Allowance (ESA) claimants in London, Nottinghamshire, Birmingham and Solihull and Edinburgh, Lothian and Borders. WorkDirections employs psychologists and physiotherapists in our Pathways offices in order to provide an in-house integrated condition management programme. This approach of combining employment support with health and rehabilitation advice has been very successful in helping clients into work.

We support the Government’s proposal to trial joint ESA/ JSA programmes in the future. JSA claimants referred to WorkDirections can have similar health conditions as those on our Pathways programmes, particularly in relation to mental health conditions. On our Pathways programmes, our integrated approach to health and work, with in-house condition management offered by trained psychologists and physiotherapists, has led to parity of employment outcomes for people with mental

health conditions. We believe our experience can help to inform the Government's National Strategy for Mental Health and Employment.

Question 14: Do you agree that the Work Capability Assessment (WCA) and Work Focused Health Related Assessment (WFHRA) should be re-focused to increase work-related support?

We welcome a work-focused WCA and WFHRA, and hope that the implementation of the WCA and WFHRA can be closely monitored and evaluated, in order to distil experience and learning. Health professionals undertaking the assessments will have a critical role in engaging clients and addressing their concerns and fears about moving into work.

The medical professionals carrying out such assessments must have a good understanding of the job market and support available, and a close working relationship with the local JCP and Pathways provider. WorkDirections employs physiotherapists and psychologists in each of its offices and we have found that three-way discussions between the employment advisor, health professional and client are a very positive way of agreeing the route forward.

Question 15: What expectations should there be of people undertaking the personalised support we will now be offering in the Work-Related Activity Group? Could this include specific job-search?

Our Pathways programmes offer a range of opportunities that can be beneficial for clients as they move towards work. For new claimants, Pathways is a mandatory programme, although it is also open to current incapacity benefits claimants on a voluntary basis. Mandatory participants are required to attend six Work Focused Interviews, and engagement beyond this is voluntary. WorkDirections advisors are highly skilled at engaging and encouraging clients to take up voluntary activities, whether condition management programmes, Pilates classes, or focused job-search activities. Over time on our Pathways programmes, we have seen significant increases in activity levels for both mandatory and voluntary clients.

Those moving into the Work-Related Activity Group of ESA will be a newly-activated group, which may include people who have been unwell or living on benefits for a considerable time. Increasing conditionality may therefore not be appropriate. WorkDirections believes that it is critical to engage clients voluntarily through developing rapport and action planning, to support people to manage their condition and move back into work. Until the full ESA system is in operation, and we see how the WCA and WFHRA affect clients, and see who will be transferred to Work-Related Activity Group, then a requirement to job-search and take up support should not be introduced.

Question 16: How can we make Access to Work more responsive to the needs of claimants with fluctuating conditions - including mental health conditions?

There is considerable variation in engagement with Access to Work services across our UK offices. The announced increase in budget should facilitate greater promotion of the service across the country.

WorkDirections advisors and health professionals advocate more flexibility in the way that Access to Work budgets are used. For example, funds could be used to pay for replacement staff, where a worker with a fluctuating condition is too

unwell to work. This will also be beneficial for those looking for a phased return to work after a bout of ill health.

Question 18: What are the key features of an action planning approach that would best support employees and employers to take the steps for the employee to make a swifter return to work?

Our response to this question is informed by our experience of delivering vocational rehabilitation services in Australia for over 15 years.

Key features of a successful action planning approach are:

- Regular communication between all parties: including the client and client's family, medical practitioners or those involved in treatment, and the employer.
- Early intervention: the earlier a person can be referred following diagnosis or injury the more likely it is they will successfully return to work.
- Holistic assessment: it is important to look at all aspects of an individual person's status, including medical, social, familial, physical, functional, and psychological, so that a plan to address a range of needs can be developed.
- Working with the employer and the workplace: if colleagues know how to support the person in work, the experience can be very different and positive for both.
- A consistent advisor/client relationship that creates a positive environment of support and encouragement. Advisors must listen to and understand the situation from the client's perspective, by focusing on ability rather than disability, and fostering client self-belief.

Partners of benefit claimants

Question 20: What approach might be suitable to assist partners of benefit claimants who can work into employment?

WorkDirections believes there is a clear rationale for strengthening the assistance available to partners of benefit claimants who are capable of returning to work. Families where both parents work have only an 8% risk of relative low income, compared to a 29% risk in families where only one is working¹. Regarding conditionality, we agree that there is no reason why partners of benefit claimants should not be subject to the new regime for lone parents.

WorkDirections believes it is important for partners within a joint claim to be able to access the same support towards sustainable employment as the named benefit claimant. Under the current regulations, partners do not have the same requirements to seek work or, more importantly, access to the same employment services as the lead claimant; although the partner would often benefit from such support. We would welcome a change in this arrangement which allowed each partner to access employment support according to their individual needs.

Currently, if a couple are both participating in an employment programme, and one of them enters work, the second partner may lose their ability to access that support. If the working partner's earnings mean that benefits can no longer be claimed, then the non-working partner can no longer access employment support

¹ Child Poverty Action Group *Child poverty: the stats - Analysis of the latest poverty statistics*, 2008.

services. We believe that if a partner has been actively participating in employment services they should be able to continue accessing this support for the duration of the programme to maximise their chances of securing work.

Reforming the welfare system to promote sustainable job outcomes

In addition to responding to the diverse needs of clients, the Green Paper proposes reforms to the welfare system in order to support the Government's commitment to the target of 80% employment and achieving world class skills. We particularly welcome proposals to pilot the funding mechanism recommended by David Freud for working with those on Incapacity Benefit and joint programmes for JSA and ESA claimants. There may need to be some reassessment of the balance of risk between the Government and providers in light of the current economic circumstances. It would, however, be a mistake to postpone these pilots as success in this area will be critical to achieving long-term employment and public finance outcomes.

In this section we discuss conditionality, integrating work and skills, simplifying the benefits system and devolution.

Personalising conditionality

We welcome the announcement of a review of conditionality systems in other countries and the commitment to explore how personalised conditionality can best be designed to influence behaviour. We are working closely with Professor Paul Gregg and his team to share our experience of current conditionality regimes on New Deal, Employment Zones and Pathways. We recommend that the review also looks at the efficacy of current conditionality regimes in the UK and client perception of cause and effect. For conditionality and further reforms to the sanctions regime to be effective, the administrative, decision-making and appeals systems linking JCP and employment providers must be facilitated by increased transparency and guidance regarding processes.

It has been our experience that many of the clients who have positively engaged with our programmes, and indeed moved through them to sustainable employment, were initially reluctant. For this reason we have long argued the importance of mandating engagement with employment interventions for inactive groups. Mandatory interviews provide perhaps the only opportunity to give people information about their future options.

We recognise the danger that increasing conditionality holds, including increased risk of sanctions for vulnerable individuals, or people choosing to leave benefits. However, this needs to be weighed against the levels of disengagement amongst these groups

Once someone has joined an employment programme, success, in terms of moving someone into a job, is more likely when the client is engaged, empowered and feels in control. It is important that mandated clients feel they are willing participants who are supported rather than policed by their advisor.

Integrating work and skills

We believe that better integration of the skills and employment agendas sits at the heart of ensuring high quality long-term outcomes for those most disadvantaged within the labour market. WorkDirections supports skills acquisition where it effectively increases the chances of the learner achieving decent, lasting employment. We have produced a number of publications on skills and sustainable welfare-to-work, which can be found on our website².

Traditionally, JCP advisors are measured on employment outcomes, Skills advisors are measured on qualification attainment, and providers under fND and Pathways are measured on sustained employment outcomes. Successful integration of employment and skills will only happen when these targets are aligned. For the integration of employment and skills to work for clients, it is critical that an integrated set of targets clearly focused on sustainable employment is adopted. It must also be clear who ultimately makes the choice about what training clients will access. For example, the proposed model of provision may lead to situations where a Skills advisor refers a client to training, but this does not align with their Jobseeker's Agreement. Again, the importance of aligning targets to facilitate joined-up working is key.

Good quality and appropriate skills training can positively contribute to sustainable job outcomes and progression in work. There is a risk that focusing on client referral to skills training would be at the expense of a more fundamental review of the quality, type and levels of training on offer. Advisors must be able to access a wide variety of training, from sources including and beyond Further Education colleges. Training must be appropriate for an individual's needs, as well as moving them towards, and helping them progress in, employment.

In the case of lone parents and those on ESA, who may have fluctuating conditions, there are key questions around the appropriateness of current training provision. What action will be taken to ensure that training providers tailor their courses to different client groups, for example ensuring that training is within school hours for parents? Will providers be monitored on the numbers of learners from disadvantaged groups accessing their provision? At present, few colleges, for example, monitor the number of lone parents accessing their courses³.

Client attitude and motivation are also key to their ability and willingness to learn. Our experience demonstrates that mandating people to skills training may not be the most effective use of resources, and may affect the learning experience of those clients who have freely chosen to improve their skills levels. Significant efforts need to be made to ensure that clients are engaged and will voluntarily address their skills needs.

We look forward to the learning that is generated from the integrated employment and skills pilots and other measures, specifically client experience and the impact on employment outcomes of Skills Health Checks and any subsequent training.

² <http://www.workdirections.co.uk/default.aspx?SectionID=2&Lev1ID=12&PagesID=12>

³ Haux and Kimina *Accessing Training and Education in East London: The case of lone parents*, 2005.

Employment and Support Allowance and skills

Question 8: When is the right time to require ESA claimants to take a Skills Health Check?

We support the move to identify the skills needs of ESA claimants, and see this best linked to the Work Capability Assessment (WCA). This would impact new claimants from the beginning of their claim, and current claimants when their benefit is re-assessed in 2010-2013. For those in the Work-Related Activity Group, a Skills Health Check should be linked to the WCA in order to allow for informed and integrated action-planning.

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

In our experience of supporting those with a disability or health condition, the majority are positive about further skills training where they recognise that such training will move them closer to the labour market. In general, clients on our Pathways programmes have a higher level of skills on average than those claiming JSA. There may, therefore, be limited value in mandating attendance on training courses, and in some cases this could jeopardise the engagement fostered through voluntary support.

If training is required, any decision made between the JCP advisor and individual must be in conjunction with support offered through Pathways services. This will ensure a consistent message and joined-up support.

In addition, the requirements on ESA claimants must take into account flexibilities necessary to support claimants' health conditions. For example, a full-day course may not be possible for someone with back injury who cannot remain in the same position for more than a few hours.

Lone parents and skills

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

In our experience, many lone parents who engage with us on a voluntary basis through Employment Zones are keen to develop their skills in order to progress into employment. Where good local childcare is available and quality training is flexible in fitting around caring responsibilities, this is welcomed.

Instead of requiring people to attend training as a condition of their benefit, we believe that the learning and work opportunities of lone parents would be better served by continuing to allow them to access support on fND on a voluntary basis. With the introduction of fND, lone parents who remain on Income Support will not be able voluntarily to access employment services delivered by private providers. WorkDirections has worked with over 12,400 lone parents since 2004 with over 4,600 moving into work with the support of our programmes, thereby helping to meet the Government's targets both in terms of employment and reduction of child poverty.

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

In our experience, where a lone parent understands that training will have a positive impact on their ‘job readiness’, they will voluntarily engage, as long as childcare is accessible and affordable. Many clients will engage with training without a financial incentive to do so.

In fact, WorkDirections advisors, consulted for this response, felt that the challenge was to ensure that training opportunities were available and sufficiently flexible to be accessed by lone parents, rather than in convincing lone parents that training would be of benefit. Running courses during school hours and the provision of crèches within college premises might potentially be more effective than incentives.

A small training allowance, such as that provided to JSA customers undergoing full-time training, to cover extra transport and food costs during training, may be the most appropriate solution. However, this would not be sufficient to address any costs that relate to childcare.

It is important that any payment is set at a level that does not act as a disincentive to moving into work.

Simplifying and streamlining the benefit system

Question 22: Is a system based on a single overarching benefit the right long-term aspiration? How could a simpler system be structured so as to meet varying needs and responsibilities?

WorkDirections supports streamlining and simplification of the benefits system and the long-term aspiration of a single overarching benefit. However, there is a tension inherent in a push for simplification, and the potential for simplicity to be diluted by myriad exemptions and exclusions. For example, by removing Income Support and transferring those clients to JSA and ESA, the rules of these two benefits will become more complex to accommodate a broader range of client characteristics. From the top, the benefits system may look simplified, as it would go from three out-of-work benefits to two. However, in terms of administration, and from the client’s perspective, the system would remain as complex as ever.

Furthermore, in attempting to address the needs of a wider range of client groups within a single benefit, it could end up being far more complex to understand and administer than having three separate benefits.

Simplification is also needed at the level of the administration of benefits. For example, in our recent policy paper ‘Making housing work’, we consider greater streamlining between those benefits administered by JCP, and those delivered by local authorities, such as Housing and Council Tax Benefit.

Devolution

Question 26: What information would providers need to make the Right to Bid effective? How would the evaluation process need to work to give providers confidence that their ideas would be evaluated fairly and effectively? How do

we get the balance right between rewarding those who come up with new ideas and the obligation to tender projects?

WorkDirections welcomes the Right to Bid proposal in the Green Paper. Providers will need to know the amount of funding available, what the timescale for bidding will be, how the Right to Bid sits within the DWP commissioning strategy, how European tendering rules can be accommodated, and whether their intellectual property/innovative ideas will be protected or subject to competitive tendering (potentially leading to another provider implementing your proposed programme at a lower price).

We suggest that the Department needs to hold further discussions with providers about the Right to Bid to develop this idea further and provide clarity on the principle of the initiative: whether it is about improving delivery of the existing system (or providing it more cheaply) or about new ideas relating to specific client groups.

One way of incorporating such a proposal would be to allow additional funds to be used with existing providers (Pathways or fND) as a means of piloting alternative and innovative changes to service delivery models as part of an existing infrastructure.

It will be critical to have a better understanding of how proposals will be evaluated and how best practice can be shared and potentially built into existing programmes.

Question 27: What would the processes around contributing to commissioning and performance management look like in a range of different partnership areas? How might they best be managed to achieve the desired outcomes?

The move towards an area-based approach must be tempered with strong guidance on how to procure successful welfare-to-work programmes. There is a large evidence base on this subject and it is important that localisation does not result in each locality reinventing the wheel. Though precise problems may differ from area to area, it is clear that the solutions to address them must share core features. In procuring and performance-managing back-to-work services at any level it is critical to ensure:

- Comparability of performance between programmes including consistency of measurement or outcome (do all programmes have the same outcome target?), consistency of definitions (what constitutes a job placement? what counts as a sustained job?), and comparable and accessible data.
- Clarity of pathways and clear signposting of support including consistency of referral pathways, clarity at the local level about who is working with each client group, and how referral pathways from JCP and other key gateways will happen. Programmes must be complementary rather than competing, so DWP-funded programmes and the Working Neighbourhoods Fund are not targeted at the same client group in the same area (with DWP programmes being mandatory for many clients).
- A clear and transparent bidding process and sufficient volumes of clients to facilitate economies of scale and comparability.

Question 29: How effective are current monitoring and evaluation arrangements for City Strategies?

WorkDirections engages with City Strategy Pathfinders across our programme areas, and we have developed some positive relationships. Undeniably, a more joined-up approach at a local level will ensure that more people excluded by worklessness have a better opportunity to access the labour market. Services which would benefit from being more joined-up at a local level include: housing, health, childcare, and skills provision.

There is a clear role for City Strategy Pathfinders, and other local partnerships, in streamlining access to these public services, and identifying gaps in provision. We are keen to see an evaluation of current Pathfinders and the dissemination of findings and good practice.

In order to achieve success, City Strategy Pathfinders must consider the following:

- Emphasis must be on ensuring the delivery of services which are complementary to current mainstream provision. The focus should be on enhancing local services, not duplicating them, by identifying and filling gaps in delivery.
- It is important that all stakeholders are able to engage with decision-makers. This will be enhanced through an open and transparent communication process.
- Providers must compete for contracts on a level playing field, with programmes that have a clearly defined payment structure which promotes outcomes linked to local priorities.
- Success will depend on the level of buy-in achieved at all levels from the holders of other funding streams. This will require ensuring that the objectives and methodological approaches are aligned.

Some recommend that greater success, in terms of more sustained job outcomes, would be achieved if the balance of control over employment programmes were shifted more fundamentally away from the centre. In 2009, we will look to explore the impact that a different balance of power between central and local actors might have on employment outcomes, and publish a position paper outlining what, from a provider perspective, successful devolution might look like.

WorkDirections and the Ingeus Group

WorkDirections is a member of the international Ingeus Group of companies which provides effective, accountable welfare-to-work services. The Group, which has been operating since 1989, currently delivers services in the UK, France and Germany.

The Ingeus Centre for Policy and Research produces original position papers, responses to government consultations and business development activity in the countries in which we operate.

- Launched in the UK in November 2002, WorkDirections UK supports socially excluded and disadvantaged individuals to find suitable and sustainable employment.
- Our welfare-to-work operations assist people who have become long-term unemployed, as well as single parents, and those who are not working as a result of health issues.
- WorkDirections UK is delivering six three-year **Pathways to Work** programmes from December 2007 which will allow us to support over 98,000 Incapacity Benefit claimants in the London, Birmingham, Nottinghamshire and Edinburgh areas. In Birmingham, the Pathways to Work programme replaced our **New Deal for Disabled People** programme which we ran for over three years.
- We also deliver **Private Sector Led New Deal** programmes in Central and West London, and **Employment Zones** in Nottingham, Birmingham, Brent, Haringey and Southwark.

For more information about any of the issues raised in this response please contact:

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