

Meeting: Enterprise Board

Date: 10 December 2008

Report Title: No One Written Off: Reforming Welfare to Reward Responsibility

Report of: Martin Tucker – Regeneration Manager (Employment & Skills)

Purpose

To inform the Enterprise Board about the borough's response to the welfare reform Green Paper, 'No one written off: reforming welfare to reward responsibility.'

Summary

The Department for Work and Pensions (DWP) published *No one written off: reforming welfare to reward responsibility* on 21 July 2008. This Green Paper builds on a welfare reform Green Paper published last year (In work, better off: next steps to full employment), which Haringey Council responded to, and contains a number of proposals that the Government believes will be crucial in achieving the aspiration of an 80 per cent full employment rate.

The Haringey response welcomes the Green Paper proposals but there are concerns over the resources available to deliver the proposals and also the increased role of benefit sanctions potentially placing extra demands on local public services.

The full response is appended to this report.

Legal/Financial Implications

Financial

This report concludes that the Government's Green Paper proposals are generally welcomed but highlights concerns over the resources available to deliver the proposals and also the increased role of benefit sanctions potentially placing extra demands on local public services such as homelessness and adult social care which could have significant cost implications for Councils. Detailed financial implications of relevant proposals will need to be assessed as the Government releases full details of the finally agreed measures after the consultation process.

Some of the proposed changes to the welfare system will be taking place as early as October 2008, e.g. the child maintenance disregard measure. An

exercise is currently underway within Benefits and Local Taxation to prepare for these changes and assess any cost implications associated with them, including making information available to residents as appropriate.

Legal

This report considers Government proposals in a Green Paper which does not give rise to any specific legal duties. The draft consultation response does however highlight the possibility that the Green Paper's proposals may have an impact on the local authority's duties to support people under the National Assistance Act 1948. Under that Act the local authority has a duty to support adults 'who by reason of age, illness, disability or any other circumstances are in need of care and attention which is not otherwise available to them'. Any proposals that would increase the number of people meeting that test would have obvious resource implications for the authority as mentioned in the financial comments. The local authority should therefore carefully consider and respond to any Bills which may be tabled to implement the government's proposals.

Recommendations

1. That the Enterprise Board notes the borough's response to the welfare reform Green Paper.

For more information contact:

Name: Ambrose Quashie

Title: Employment & Skills Policy Officer

Tel: 020 8489 6914

Email address: ambrose.quashie@haringey.gov.uk

1. Background

1.1 The Department for Work and Pensions (DWP) published *No one written off: reforming welfare to reward responsibility* on 21 July. The Green paper builds on a welfare reform Green Paper published last year (In work, better off: next steps to full employment), which the Council responded to, and contains a number of proposals which the Government believes will be necessary in achieving an 80 per cent full employment rate.

1.2 The Green Paper details reforms by the Government, which have implications across the public, private and third sectors. The key principle behind the Green Paper is to ensure that individuals on out of work benefits are involved in an active programme that offers them support but expects more in return in terms of them taking the necessary steps to return to work.

1.3 Officers from the Economic Regeneration team have co-ordinated the development of the response, which takes in contributions from across the Council and Haringey Strategic Partnership.

2. The response

2.1 The response welcomes the Green Paper proposals with the key elements being:

General comments

- Concerns that the increased role of benefit sanctions could leave some of our most vulnerable residents destitute with the local authority left with support duties under National Assistance legislation.
- Concerns around the resources available to truly deliver the Green Paper proposals
- Will Job Centre Plus (JCP) have the capacity to take on all of these welfare reforms particularly as they are happening in a relatively short space of time?
- Will the current and future state of the economy be able to provide the appropriate jobs to deliver the welfare to work targets?

Job Seekers Allowance claimants

- We support work related activity as long as it is structured and the outcomes are properly communicated and evaluated.
- 'Work For Your Benefit' is an inappropriate phrase to describe work related activity.
- How will employers be engaged and encouraged to provide work related activity opportunities?
- Prescriptive sub-contracting levels need to be imposed on prime employment support contractors to ensure capacity and capability is built within smaller and community based organisations.

Drug misusers

- We welcome the approach to support drug users.
- However, current employment support provision in Haringey is currently targeted at ex rather than current misusers.
- Making disclosure mandatory and linked to enforced treatment may well discourage those in significant need making a claim, in particular women and parents.
- A cultural shift will be needed amongst employers to provide opportunities to this client group.

Disabled and people with long-term health conditions

- We support mandatory conditions being imposed upon Employment Support Allowance (ESA) claimants in relation to training and job search, provided the adequate and appropriate resources are in place.
- An Access to Work fund should be in place to provide reasonable adjustments for disabled volunteers.
- The 104 week linking rule that protects Incapacity Benefit claimants when they return to work or training should be revised so:
 - The 28 week qualification condition is halved to 14 weeks

- The requirement to inform JCP of a possible return to benefits after a job start should be relaxed or dropped

Skills

- We support the plans to provide a skills health check and training to lone parents once their youngest child is aged five.
- We support the plans for extra benefit payments being made available to lone parents who undergo training; this should be made available to a lone parent whose youngest child is aged five. There is a concern around training provision, particularly pre-entry level ESOL (with childcare).

Child Poverty

- We welcome the plans to fully disregard child maintenance in regards to Housing and Council Tax Benefit from October 2008 and this being extended to out of work benefits from April 2010.
- We support the move to support unemployed partners of benefit claimants into work.

Simplifying and streamlining the benefits system

- We support the idea of a simpler system based on a single overarching benefit.

Contracting and funding arrangements

- Local authorities should be much more involved in the commissioning and monitoring of prime employment support contracts. This should involve joint commissioning plans between local authorities and DWP/JCP.
- We welcome the introduction of the Right to Bid.
- We are very interested in being a pathfinder area from 2011/12 to test out the proposal to fund employment support programmes from future benefit savings (AME-DEL)

2.2 The full response is appended to this report.

3. Next steps

3.1 The Government is expected to publish its response to the consultation before the end of the year and a Bill will be prepared in time for the next parliamentary session in 2009.

Appendix 1: Final Green Paper response

This response to the Green Paper is from Haringey Council and it also incorporates the views of members of the Haringey Strategic Partnership.

Introduction

Haringey Council welcomes the opportunity to respond to the Government's latest welfare reform Green Paper: "No one written off: reforming welfare to reward responsibility."

Haringey is one of the 33 London Boroughs and represents approximately 225,000 of the capital's residents. Haringey is characterised as being one of the most deprived areas in the country and the Indices of Deprivation 2007 found it to be the 13th most deprived district in England, and the 7th most deprived in London¹. Worklessness is a key issue in the borough with over 50,000 people of working age not in employment. These levels of worklessness are particularly high in the Tottenham parliamentary constituency where the out of work benefits claim rate is in the top 4 per cent in England and the joint highest in London.

Tackling worklessness is a priority for the Council and to this end we launched the Haringey Guarantee in 2006, an innovative programme which brings together a diverse range of projects to support those furthest away from the labour market into sustained employment. The programme engages employers, schools and colleges, skills training providers, employment services, job brokers and local communities to develop structured and robust pathways to employment for disadvantaged residents. These include tailored vocational education and training, work placements, information, advice, and guidance, and guaranteed interviews when applying for employment opportunities with partners. In turn we offer employers a Guarantee that the programme will provide appropriately trained and committed candidates to fill their vacancies. To date, the programme has engaged over 1,400 residents and supported over 190 residents with complex barriers into work, many of whom are lone parents and long-term Job Seekers Allowance (JSA) and Incapacity Benefit (IB) claimants.

General points

Haringey Council welcomes the proposals in the Green Paper but we would like to outline a number of areas that we believe require further consideration and improvement, namely:

1. We are concerned that the proposals in the Green Paper to increase the role of benefit sanctions in the welfare system could have a disproportionate effect on our most vulnerable residents leaving them, at worst, destitute. In such a situation it would be the local authority and other public agencies such as the Primary Care Trust who would be left to support these people, possibly under National Assistance legislation. This could have particular implications for local authorities if sanctions result in our residents being made homeless, for example. We therefore want the Government to ensure that stringent safeguards are in place so that our most vulnerable residents are not imposed with sanctions that leave them worse off and/or destitute. In the event of our residents being left worst off

¹ As measured by the Average Ranks measure of deprivation.

or destitute, the Council is not prepared to act as a provider of last resort as this will mean that we, in effect, have an unfunded mandate.

2. The Green Paper proposals leave us concerned that legal advice organisations such as Citizens Advice Bureaus and local law centres will come under increasing pressure. The plans by the Legal Services Commission to move towards a model of case-based single legal advice networks for each local area could result in contracts not meeting the value of support as general advice (e.g. benefit advice) may not fall within the case based criteria. The increased number of people requiring general benefits advice due to the Green Paper proposals could exacerbate this issue and we would urge that these organisations are adequately funded to support people who require their advice.
3. We are concerned that the Green Paper offers little in terms of in work support for JSA claimants and lone parents. A recent report by the National Audit Office² highlighted the fact that some 40 per cent of JSA claimants who find work make a subsequent claim for benefits within six months. While initiatives such as Train to Gain and the in work credit for lone parents are welcome, we feel that more resources need to be provided to break the cycle of welfare to work and back to welfare. This could include one to one support which follows the successful Workstep model.
4. We welcome the plans to pilot mandatory skills training for JSA claimants from this autumn. However, we are concerned about the resources available to deliver increased training provision and the other proposals contained in the Green Paper. This is particularly pertinent to inner city authorities - such as Haringey - with ethnically and culturally diverse populations where the provision of ESOL, for example, is already limited (this problem is most acute at pre-entry level (with childcare)). Where provision is so limited this could lead to even longer waiting lists, which will be likely to slow a jobseeker's progression through the system. We would be particularly concerned if any sanctions were to be imposed on jobseekers for failure to complete courses for which they are on such a list.
5. The proposals in the Green Paper and also the wider welfare reform programme will result in sweeping changes being made in a relatively short period of time. We question whether Job Centre Plus (JCP) will have the necessary capacity to be able to take on all of these changes. We also want the Government ensure that the professionals providing one to one support are adequately trained and skilled.
6. Despite performing strongly over the past 10 years the signs are that current economic climate is having a negative impact on the labour market. Recent data show that the number of people who are ILO unemployed has hit 1.79 million and the claimant count rose by 104,900 in the year to September 2008. It was also recently announced that economic growth is flat for the first time in 16 years with a recession

² National Audit Office (2007) Sustainable employment: supporting people to stay in work and advance.

seemingly inevitable. If the labour market and the wider economy continue to deteriorate we would like to see assurances that benefit claimants are adequately protected. This would include ensuring sanctions are not imposed on claimants who make every effort to find work but fail to do so because of a lack of appropriate employment opportunities. This is particularly relevant to groups such as lone parents where the availability of flexible employment opportunities is of paramount importance.

7. Research by HM Treasury³ and the Greater London Authority⁴ has clearly shown the unique characteristics of worklessness in London with the capital having the lowest employment rate out of all regions and countries in the UK despite making such a significant contribution to national economic growth. We therefore endorse the desire of the London Skills and Employment Board⁵ for more flexibility in the capital to tackle worklessness through initiatives such as joint commissioning to bring together funding for adult skills and employment support into a 'single purse.'
8. Finally, we are concerned that the Impact Assessment published alongside the Green Paper does not provide enough information about the specific equalities impacts of these proposals. This is of particular relevance to Haringey, which is one of the most diverse areas in the country. Indeed, research by the Office for National Statistics in 2006 found Haringey to be 4th most ethnically diverse Local Authority District in England and Wales⁶.

Consultation questions

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

Haringey has an enabling measure as part of its Local Area Agreement (LAA) that allows Haringey Guarantee participants to access work placements for 6 weeks, full-time without their benefits being affected. This has been successful in helping people to make the transition from welfare to work. We therefore see six weeks as an acceptable time period for any meaningful work related activity to last.

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?

Haringey has a business base that is largely made up of micro businesses. The 2006 Annual Business Inquiry found that 79 per cent of the 8,500

³ HM Treasury (2006) *Employment opportunity for all: analysing Labour Market trends in London*: HM Treasury

⁴ Meadows, P (2006) *Working Paper 15: Worklessness in London – explaining the difference between London and the UK*: Greater London Authority

⁵ London Skills and Employment Board (2008) *London's Future – The Skills and Employment Strategy for London 2008-2013*

⁶ Dobbs, J et al. (2006) *Focus on Ethnicity and Religion*: Office for National Statistics

businesses in Haringey have four employees or less. Other than the Council and Teaching Primary Care Trust we believe that there are few organisations currently with the capacity and resources to take on local placements and spend time developing their skills and future employability. The Council has shown its commitment to help tackle worklessness through the Haringey Guarantee and also by signing up to the Local Employment Partnership and the Skills Pledge.

Feedback from our voluntary and community sector partners overwhelmingly highlighted fair access to funding as a means of building capacity and capability.

For these reasons we are encouraged to see the Government's focus on the voluntary sector delivering full-time work experience. However, we would like to take this opportunity to express our concern over moves to issue larger and longer contracts for employment support programmes, as articulated in the Department for Work and Pensions (DWP) recently published Commissioning Strategy, which will inevitably benefit larger providers. Although there is a commitment to ensure that prime contractors sub-contract with local providers our recent experience with the roll-out of Pathways to Work in Haringey suggests that the theory is far removed from the reality on the ground.

So, we would like to see the Government go further in this commitment by setting a level at which prime contractors must sub-contract with the voluntary sector and other local providers. Although this goes against the principles outlined in the Commissioning Strategy around prescription, our experience has left us with the firm belief that this is the only way to ensure that the voluntary sector is not marginalised by this new contracting model. This, in our opinion, will help the voluntary sector to deliver successful employment outcomes, whether it is through skills development, direct job brokerage or full-time work experience.

As well as this we want to see local authorities and local strategic partnerships much more involved in the commissioning and monitoring of contracts and sub-contracts such as those issued for the forthcoming Flexible New Deal. This will help to ensure that local knowledge is adequately used when deciding upon contract holders and in ensuring that they develop appropriate partnership and sub-contractual arrangements.

Of course, access to fair funding is not the only issue and our voluntary and community sector partners identified other forms of support that could help build capability and capacity. These include:

- Clear recognition of third sector organisations being employers.
- Workforce development – managers and staff will need this support to ensure that candidates get the best possible outcomes from their period of work related activity.
- Business development.
- Supporting the implementation of systems that will be used to aid delivery.

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?

Work experience is seen as an integral element of the Haringey Guarantee in building an effective pathway from welfare to work. In our experience, this is only truly beneficial to the individual if it is structured, relevant and the outcomes to be achieved are clearly defined at the outset and evaluated upon completion. These outcomes have to be jointly agreed by the participant, the work placement provider and the host organisation. If this is a model that 'work for your benefit' will reflect then we believe it can be used as an alternative to a sanction of loss of benefit. However, we question the legality of mandating a benefit claimant to undertake work related activity if they will not be receiving at least the minimum wage, as highlighted in a Personnel Today article last year⁷.

The quality of a participant's initial contact with an employment adviser is probably the most critical element of the support they will receive. It is here that the barriers to employment will be identified and an action plan to overcome these barriers is developed. If this barrier identification is done thoroughly and correctly then it should become quite clear whether a work placement would be beneficial to the individual concerned. On this basis, work placements should be targeted at people where it has been assessed that it will be beneficial to them.

Although the Green Paper announced that the Government "will contract with public, private and voluntary providers to test out a number of models of mandatory full-time activity", as in our response to question 2, we have reservations about where meaningful full-time activity opportunities will be sourced from. While initiatives such as the Jobs and Skills Pledges are welcome there is nothing in the Green Paper about how employers will be engaged and get productive placements.

To ensure that work placements are meaningful and that participants are not left open to exploitation we would like to see the Government working with Trade Unions/Union Learning Representatives. Additionally, the good practice that is identified through this process should be shared with small employers and the voluntary and community sector.

We believe that for work placements to be successful the benefits have to be effectively communicated to the participant and employer. We therefore view 'work for your benefit' as an inappropriate term for this support as the danger is that it will be viewed as a penalty rather than something that provides genuine benefits in moving someone from welfare to work; the phrase work related activity is more appropriate. We also question whether employers will be willing to provide genuine work related activity opportunities where it is viewed as a punitive measure.

⁷ See Personnel Today (2007) Firms failing to pay students on internships and work-experience placements minimum wage break the law:
<http://www.personneltoday.com/articles/2007/01/22/38977/firms-failing-to-pay-students-on-internships-and-work-experience-placements-minimum-wage-break-the.html>

Finally, we would like to highlight here our concerns about the proposed requirement for claimants to sign on weekly or even daily. In our opinion this has the potential to alienate customers and make them more hostile and reluctant to accept support.

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

The current system, at least in relation to Housing and Council Tax Benefit, allows for two options - financial penalties and court proceedings. It is generally accepted by benefit practitioners that any action beyond this would be considered highly emotive and political.

The financial penalty is known as an 'Administration penalty'. This is a 'levy' that amounts to 30 per cent of the overpayment that has arisen due to fraud, and is an alternative to instigating a prosecution for fraud. However, at present, an admin penalty can only be imposed with the consent of the claimant. By agreeing to pay the admin penalty, the claimant will not be prosecuted, and thus avoid action that could ultimately lead to a criminal conviction.

Although benefit fraud is widely publicised, the existence of the Administration penalty is not widely known. We would therefore like to highlight the need to increase the effectiveness of penalties as a deterrent, by raising awareness of the sanctions available and the amounts of penalties that can be imposed.

Finally, an option that has been suggested by some practitioners is a fixed penalty scheme with graduated levels according to the amount of the overpayment e.g.:

Overpayment	Penalty
£1-£150	£50
£151-£500	£100

However, in view of the high levels of rent and living costs in London, and the fact it does not take into account an individual's ability to pay, we would have to give careful consideration to the impact of such a change before supporting such a proposal.

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

Withdrawal of benefit is an option that we would be uncomfortable with and would not wish to consider. We believe this action would be disproportionate and worsen poverty, affecting the poorest within our community.

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?

Once ready for work, problematic drug users, by which we mean those using class A drugs in a way that is leading to social and economic dysfunction, face significant barriers to gaining employment. We therefore welcome the proposed increase in specialist support to be offered to drug users who are ready to find work.

Because many drug users have poor work histories, skills gaps and criminal records we agree that in many instances it could be advantageous for them to declare that they have a drug problem or a history of problematic use if this resulted in increased support and guidance to help break down barriers to employment. However, our experience to date in Haringey is that mainstream employment advisers have not been able to work effectively with this group. This has meant that Haringey's Drug and Alcohol Action Team (DAAT) has commissioned its own specialist entry to employment service for people who have received treatment for a drugs misuse problem – Kinesis. We are also aware of a lack of provision around employment support for current users. Moreover, we are concerned that people providing support to this client group do not have the necessary skills to do so and would ask that the National Treatment Agency work with local authorities in identifying appropriate providers/staff to do this work.

While we welcome the plans to support people with an identified drugs dependency we do have serious concerns about the resources available to deliver the drug treatment places that will be needed to successfully deliver these proposals.

We agree that employment advisers should be skilled in signposting drug users to treatment, our concern is that non problematic drug users who are not suitable for structured treatment, will be identified within this process. The "strengthened guidance" for JCP advisers also needs to include other forms of support such as training and are concerned that the necessary resources will not be made available to ensure that JCP advisers are equipped with the necessary skills to identify and help overcome the complex barriers to employment that people with a dependency on crack cocaine and/or opiates have.

In terms of disclosure being mandatory and non disclosure leading to sanctions, we would draw attention to the fact that drug users have good reason not to wish to disclose information on an activity which is illegal and often seen as immoral, in full knowledge that disclosure to employers can lead to further barriers to employment; as a minimum JCP would need to agree to keep this information confidential.

Making disclosure mandatory and linked to enforced treatment may well discourage those in significant need making a claim, in particular women and parents. This could result in escalation of drug use and offending. For many of our clients family relationships have broken down and a lot of our work is around encouraging active parenting; being directed into work too soon may further impede this.

The Green Paper suggests that alcohol misuse may be included in this proposed system in the future. We would question the rationale for the

decision to delay as in our experience alcohol misuse is a significant cause of worklessness and a barrier to employment.

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?

Access to employment is a key element in our delivery of effective treatment to drug users and reintegration back into society. Currently funding for this falls to the DAAT and we are increasingly unable to match resources to need. We would like to see more of this work mainstreamed – but with the understanding that many of this client group will never have been in paid employment and/or have literacy and self esteem issues. These will need to be worked on before they can begin to think of entering employment. Linked to this are the concerns we expressed in our response to question 6 around the resources available to support this particular group.

We would see one element of an integrated system of drug treatment and employment support being flexibility in signing on. In their early stages of treatment many of our service users are physically unwell, emotionally vulnerable and have multiple appointments, we would welcome flexibility and support from JCP around their ability to attend appointments, possibly arranging co-location of signing on with treatment.

Other elements that should be included in the system are educational and work related training, skills development in gaining a job and retaining a job, support to volunteer and work with employers to offer meaningful employment opportunities.

Housing is also an issue for many of our clients and an essential element in being ready for work.

A rehabilitation plan would be an excellent opportunity to prepare those engaged in treatment for employment. However, substance misuse is a chronic condition and safeguards for failure/relapses need to be built in.

Rehabilitation plans need also to consider the different aims our clients have as some will not be looking to abstinence. In our experience those planning to be maintained on prescribed medication also face barriers to employment.

Our concerns within the Green Paper are in ensuring the rehabilitation plan and any sanctions are not targeted too soon. The Green Paper suggests linking Required Assessments and Drug Rehabilitation Requirement (DRR) attendance to sanction. In our experience those at the engagement end of treatment (1-12 weeks), which includes Required Assessments, are not in a position to significantly explore employment opportunities. Their immediate needs are treatment, housing and financial management. Sanctions could at this stage increase social exclusion and intensify criminal behaviour; it is also likely to be family and carers who indirectly bare the cost of a sanction.

In addition to skills deficits, our clients find it difficult to gain employment because they have poor work histories so lack the required references and many have criminal records. What they require is access to employers who are willing to offer them the opportunity to work and obtain a work history, a foot in the door to employment, backed up by support for both the employer and the employee. Support may be needed for a significant period of time and Haringey's DAAT commission a work placement officer through Kinesis to do just this. It will also need to be from a provider who has knowledge of the client group. In addition, a huge cultural shift in the attitudes of employers to drug users is needed. We would like to see central government lead the way on this. Working with the employers who are signed up to the Jobs and Skills Pledges would be a start.

Finally, we feel more could be done around support for self employment opportunities. Many drug users have skills that may require capital investment. The issue of self employment is applicable to all the groups that the proposals in this Green Paper aim to target.

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

We believe that ESA claimants who, through the WCA, are part of the Work Related Activity Group should be required to take a skills health check at the start of their claim as long as these can be carried out in adequate and appropriate settings.

For people who are in the Support Group we believe that voluntary engagement with a skills health check is appropriate.

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

We believe that ESA claimants who are in the Work Related Activity Group should be required to attend training in order to gain the identified skills they need to enter work. For people who are in the Support Group skills training should be voluntary.

However, it should be recognised that not all ESA or JSA claimants will suffer from a lack of experience and/or low skills and therefore may not need to undertake skills training. Leading on from this, we would also like to see a concrete commitment from the Government that for highly skilled and experienced claimants they will not be forced into inappropriate or entry level employment in the face of possible benefit sanctions.

We would also like to reiterate our concerns over the resources available to deliver adequate and appropriate training opportunities as articulated in general point 3.

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?

There are a significant number of lone parents in Haringey, many of whom require employment and training support. The 2001 Census found there to be over 9,000 lone parents with at least one dependent child in the borough, 62 per cent of whom were not in employment. The latest DWP Benefit statistics show that there are currently at least 6,660 lone parents claiming Income Support. Haringey also has a LAA stretch target to support 110 lone parents into sustained employment by March 2010.

We therefore support the plans to provide a skills health check and training to lone parents once their youngest child is aged five. If done positively it can be used to improve the self esteem of a parent. However, the checks will have to be done carefully and by advisers who are adequately trained to recognise personal issues that lone parents may have but are unwilling to discuss. Also, there will be an issue with adequate and appropriate training as set out in general point 3. Additionally, more lone parents entering training will create even greater demand for quality childcare places. Extra childcare places need to be planned for to ensure that lone parents are able to take up training opportunities. The recent announcements about the 'Free childcare for training and learning to work' programme and the plans to provide free nursery places for all two year olds are therefore welcomed by the Council and its partners.

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?

We support the proposal to pilot extra benefit payments for lone parents in return for training. In line with our response to question 10 we believe this should be made available for lone parents with a youngest child aged 5.

Although lone parents on the New Deal for Lone Parents programme can access a £15 training allowance we believe more should be done and would like to see these extra benefit payments directed towards expenses such as childcare costs.

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

Our concerns around this issue are covered in general point 3 and our response to question 10. We would also like to highlight here the importance of improved careers advice to the individual and we are encouraged by the imminent pilot roll-out of the Adult Advancement and Careers Service.

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

The Haringey Guarantee successfully provides volunteering opportunities and we believed that if, like work placements, they are structured, relevant and the outcomes to be achieved clearly defined at the outset and evaluated upon completion then they can be used successfully as part of a back to work strategy.

Volunteering can be an essential first step to returning to work for people with long-term health conditions and we are particularly concerned about the lack of support available to help disabled people take up volunteering opportunities. For this reason we fully support the calls to create a scheme similar to Access to Work to fund reasonable adjustments for disabled people.

We also have concerns about the capacity to deliver meaningful volunteering opportunities as outlined in our responses to questions 2 and 3 around work related activity.

Question 14: Do you agree that the WCA and WFHRA should be re-focused to increase work-related support?

We believe in the notion that anyone who can work should work, which fits with the principles and spirit of the social model of disability. On this basis we agree that the WCA and WFHRA should be re-focused to increase work related support. However, the quality of support will be critical, particularly in relation to helping stay in work. Moreover, supporting people with a disability or long-term health condition into work will require significant resources and we are concerned that they won't be adequately provided given the current economic climate and the tight settlement the DWP received in the last Comprehensive Spending Review. This point is particularly pertinent when considering the proposal to reassess all exiting IB claimants under the WCA between 2009-2013. There are currently (February 2008) 11,940 IB claimants in Haringey and to deliver to this timescale will have huge resource implications.

As well as the WCA and WFHRA we would also like to highlight the importance of Condition Management Programmes (CMPs), which were only given a cursory mention in the Green Paper. Through the Haringey Guarantee the Haringey Teaching Primary Care Trust (HTPCT) delivers a successful CMP, which is assisting long-term IB claimants into work and follows the model of the Pathways to Work pilots, where CMPs were delivered by Primary Care Trusts; the support delivered through the HTPCT also includes engagement in GP surgeries. We are concerned that the national rollout of Pathways has resulted in prime contractors not following this successful model, which we believe could have a negative impact on the Pathways programme.

The Sainsbury Centre for Mental Health, in a recent briefing⁸, highlighted how people with a mental health condition are less likely to be employed than any other group of disabled people. The combination of unemployment and mental ill health can also lead to a range of social problems such as debt and social isolation. In Haringey, approximately 45 per cent of the 11,940 IB claimants in the borough have a mental health condition.

For these reasons, we are encouraged by the Government's intention to provide more support to people with a mental health condition. Indeed, Haringey Teaching PCT is a transitional site for the Improving Access to Psychological Therapies (IAPT) programme, and the TPCT has already invested a considerable amount of funding to take this forward. However we must ensure that employment support provision is integrated with NHS provision and that it can operate effectively alongside IAPT practitioners and within the Primary Care setting, which is currently working to the "Implementing Care Closer to Home" agenda, as outlined in the White Paper "Our Health, Our Care, Our Say" (2006). This measure provides an opportunity to demonstrate effective implementation of cross governmental initiatives.

We are also very supportive of piloting the Fit for Work service. There is a gap in work retention services, and we welcome any initiative that will support people with health related problems to stay in work or to return quickly to work whenever they are able.

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?

In line with the Government's commitment to achieve equality for disabled people by 2025, which we fully support, we believe that the expectations on ESA claimants in the Work Related Activity Group should include specific job search.

However, we would like to question the personalised support that will be offered to ESA claimants in the Work Related Activity Group, for which there was very little detail in the Green Paper. We presume that CMPs will play an integral role in this personalised support and we have articulated our concerns

⁸ Sainsbury Centre for Mental Health (2007) *Briefing 33: Mental health and employment*

about how CMPs are being handled within the national rollout of Pathways to Work in our response to question 14.

Whilst the Green Paper commits to the WFHRA being performed at regular intervals we would to highlight the importance of this being available to people with fluctuations conditions.

In relation to job search we would also like to highlight the importance of flexible employment opportunities, such as part-time work, which many people with a health condition will need access to. Lack of part-time employment opportunities are also known to be a particular issue in London. For this reason, as well the issues articulated in general point 5 and our response to question 9, we would like to see the Government doing much more work with employers (especially those signed up to the Jobs and Skills Pledges) to ensure that more part-time, flexible and appropriate employment opportunities are made available to disabled people and people with a long-term health condition.

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

We accept that making Access to Work more responsive to the needs of claimants with fluctuating conditions is a difficult issue to tackle. We would suggest that the role of social enterprises and in particular, social firms can play an important role here. A social firm based on an agency model that takes on disabled people with fluctuating conditions to perform certain tasks as and when needed could make it easier for these people to access work opportunities and also to determine what reasonable adjustments Access to Work could fund. The added benefit would be the disabled person having an employer that is sympathetic to their condition. We would therefore like to see the Government do more to support social enterprise and social firm development in this area.

To help people with fluctuating conditions stay in work we would also like to see Access to Work funding support such as personal assistants in the workplace.

For people with common mental health problems we would like to see all Access to Work assessors given mental health first aid training. This would help to increase the confidence people have in the Access to Work programme and also allow the assessors to better direct people to appropriate support.

Question 17: What additional flexibilities in the system or forms of support would claimants with multiple and complex problems need to enable them to meet the new work-focused requirements in the Green Paper?

We fully support the 104 week linking rule that protects IB claimants when they return to work or training. However, we feel that this rule needs to be strengthened to improve work incentives. So, we would like to see the 28 week qualification condition halved to 14 weeks and the requirement to inform JCP of a possible return to benefits after a job start relaxed or dropped altogether.

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?

We believe that a phased approach will be key in ensuring that an action planning approach works. Some of the key features will include:

- The availability of occupational health support
- The option for the employee to take on lighter or changed job duties, which could include part-time working.
- Possible redeployment if an individual is assessed as not being able to carry out the duties they were doing before they fell ill.
- Support for line managers to help them understand and accommodate people returning to work.

Question 19

No question 19.

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

We support the move to support unemployed partners of benefit claimants into work and we also fully support the child maintenance disregard that will apply to Housing and Council Tax Benefit from October 2008 and the plans to extend this disregard to out of work benefits from April 2010.

We have recently established a project called Families Into Work project in Northumberland Park – one of the country's most deprived wards with the highest JSA claim rate in London – which aims to tackle generational worklessness by initially supporting 100 families over a three year period. In our Children's Centres we are also planning to start information sessions on issues such as childcare, training and jobs to engage partners.

However, we do believe that some caution should be exercised in the proposed approach as there are vulnerable groups who could be disproportionately affected. These include women claiming benefits who are victims of domestic violence and/or prostitution; children who are in these families could also be adversely affected.

We also feel that the Government needs to go further to support employment amongst couples irrespective of whether they claim out of work benefits. The Institute for Public Policy Research published a study of the low-paid and the working poor earlier this year⁹. One of the main recommendations from the study was to increase work incentives for second earners in a couple through a Personal Tax Credit Allowance (PTCA). The PTCA would allow both adults in eligible families to each earn £100 a week before their entitlement to Working Tax Credits (WTC) started to be withdrawn. Under the PTCA a family earning minimum wage would be £36 a week (or £1,872 a year) better off if a second adult moved into part-time work than under the current system. The report also called for WTC for couples with families to be increased by one third to £91.31 a week (or £4,748 a year) from, reflecting the higher poverty line for this family type. It was estimated that this reform would benefit 1.6 million families and lift 200,000 children out of poverty, at a cost of £1.6 billion. We endorse this approach to assist partners of benefit claimants who can work into employment, by making work more attractive, and to also help tackle child poverty.

Question 21: What are the next steps in enabling disabled people, reliably and easily, to access an individual budget if they want one? Should they include legislation to give people a right to ask for a budget or will the other levers the Government has got prove sufficient? What are the safeguards that should be built in? How can this be done?

Haringey Council is implementing a “a 3 year transforming social care programme” in response to “Putting People First” a concordat between central and local government and its partners to develop personalisation in which there will be pilot projects specifically designed to develop self assessment, individual budgets and self directed support plans, service user group by service use group. The programme will include consultation with stakeholders. The programme will ensure roll out of individual budgets and self directed support, service user group by service user group, over the next 3 years. Adult Social Care would welcome the involvement of the DWP in this programme locally.

The question about safeguards depends on what is to be safeguarded i.e. :

- Vulnerable citizens rights to a service
- Budgetary limits
- Protection of the vulnerable citizen from abuse

All of these will have to be brought into balance.

The question of a right to an individual budget will depend on the national review of eligibility currently being undertaken by the Commission for Social Care Inspection (CSCI). At the moment the right to an individual budget would only be available to those service users deemed to meet the fair access criteria of having critical or substantial needs in Haringey. It is thought that CSCI might widen the criteria because of the Department of Health's

⁹ Cooke, G. and Lawton, K. (2008) *Working out of poverty, a study of the low-paid and the 'working poor'*: Institute for Public Policy Research

commitment to prevention and because the current system does not work in the vulnerable citizens interest.

We also believe that a key part of enabling disabled people is giving them good advice and information about the quality of provision available to them. This should be available before they take up their service and while they are receiving this service as well. For this reason we would like to see the development of a 'Which' type good providers list; to make this locally specific it should be quality monitored by Local Authorities.

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?

We support the idea of a simpler system based on a single overarching benefit. In such a system, assessing need will be critically important in helping to meet need, accommodating responsibilities and also determining the conditionality that needs to be attached to the receipt of benefit.

For this to work, it could be possible to have a system similar to the forthcoming Employment Support Allowance, for example, where needs, responsibilities and conditionality are determined based on the group a claimants is assessed as being in.

Question 23: Would moving carers currently on IS onto JSA be a suitable way of helping them to access the support available to help combine caring with paid work or preparing for paid work?

Carers are an integral part of our society and make a significant contribution to our economy. Research by Leeds University¹⁰, on behalf of Carers UK, found that in 2007 carers saved the economy approximately £87 billion a year. This contribution needs to be clearly recognised in the face of possible stricter work search conditions being applied to carers receiving benefits.

Nevertheless, we believe that moving carers from IS to ESA as opposed to JSA could be a more effective way of helping them to access the support available to combine caring with paid work or preparing for paid work. However, this will need to be based on a thorough and adequate assessment if this is to work effectively and a safeguard that carers will not be compelled to have work search conditions attached to the receipt of benefit if the results of the assessment deem it inappropriate. There will also have to be safeguards introduced to ensure that carers receive some temporary financial assistance once their caring responsibilities come to an end.

It is also important that carers have the resources invested in them to support their aspirations beyond their caring role. This support should include respite from caring responsibilities to better enable them to fulfil their aspirations. At this point, we would like to reiterate the issues identified in general point 3 and our responses to question 15 around training and employment opportunities.

¹⁰ Buckner, L and Yeandle, S (2007) Valuing carers – calculating the value of unpaid care: Carers UK

Question 24: How might we reform Bereavement Benefit and IIDB to provide better support to help people adjust to their new circumstances while maintaining the work focus of the modern welfare state?

No specific comments.

Question 25: Are lump sum payments a good way of meeting people's needs? Do they give people more choice and control? Could we make more use of them?

No specific comments.

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?

We welcome the Right to Bid proposal as a way of encouraging and promoting innovation in helping people back to work.

To support providers who wish to access funding from the Right to Bid we believe that various information will need to be available, namely:

- Improved labour market statistics to give a clearer picture of the scale and nature of worklessness in local areas. Benefit claimant data can provide useful information at a borough or sub-borough level but what is really needed is improvements to the Labour Force Survey/Annual Population Survey to ensure that the results derived for local areas are more robust. This can be principally done by boosting the target sample in London boroughs, which is currently 450 economically active people compared to 510 economically active residents in Local Authority Districts outside of London. Given the unique complexities of worklessness in London we feel that this London sample should be at least 510 with a strong case for it being increased further.
- Guidelines on the levels of geography which apply to the Right to Bid.
- Guidance on the duration of successful projects for planning purposes.
- Any lower or upper limits on the amount of money that organisations can access.
- Any requirements around match funding.

We feel the evaluation process will need the following to give providers confidence that their ideas would be evaluated effectively and fairly:

- Upfront and transparent information about how proposals will be evaluated and/or scored. This could include factors such as expectations around outcomes to be achieved, the target groups to be supported, value for money and, importantly, how it adds value and links to existing provision.
- The option to request evidence that proposals have been robustly tested against an evaluation framework.

In terms of getting the balance right between rewarding those who come up with new ideas and the obligation to tender projects, we feel that provision such as Pathways to Work, the forthcoming Flexible New Deal and European co-financing arrangements will meet this obligation. The Right to Bid could therefore be used as a small fund used solely to test out innovative ideas.

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?

We welcome the Government's desire to include local areas much more in the design and delivery of mainstream employment programmes. Indeed the Haringey Guarantee has already been very successful in adding value to what is already being delivered by mainstream providers in the borough. We are also now delivering the North London Pledge, in partnership with Enfield and Waltham Forest Councils, which is helping to support mainstream activity across the Upper Lee Valley.

To ensure that the planned 'national spine' is supported by appropriate local provision adequate partnership arrangements need to be established. Again, this is something that is happening in Haringey where the Council's relationship with JCP is strong. However, more can be done and we feel that consideration should be given to co-commissioning arrangements and a fully devolved model being delivered through Local Strategic Partnerships as well as Multi Area Agreements and other sub-regional arrangements. The experience and expertise we have acquired through the Haringey Guarantee have given us a firm belief that we can meet the challenge of co-commissioning and full devolution.

A major issue in relation to multi area working is around the lack of consistency with sub-regional boundaries. For this 'national spine' to work we feel that there needs to be more consistency across national and regional government in terms of recognised sub-regional boundaries.

We would like to see joint commissioning plans developed between DWP/JCP and local areas. This will help to ensure that provision is meeting local priorities and is complementary rather than conflicting. Where possible we would also like to see joint monitoring arrangements established as well. This is particularly relevant to the work done through the Haringey Guarantee as we are not allowed to engage with residents who are already on mainstream employment programmes. However, whether someone is on a mainstream programme is not always as clear cut as it may seem and in our experience, disputes have arisen over this very issue. More solid partnerships through joint commissioning and monitoring would help to prevent this.

Question 28: How could a link be made to the radical proposals for the pilots, which seek to reward providers for outcomes out of the benefit savings they achieve?

We welcome the proposal to reward providers for outcomes out the benefit savings they achieve. Indeed, as part of the negotiations for our first LAA we

unsuccessfully requested an enabling measure to allow us to keep a proportion of the benefit savings achieved through helping our residents back into work. However, we would like to caution that this needs to be carefully implemented. There will not be any savings until people start to come off benefits and this won't happen until extra support is brought into the system. There is also an assumption that people coming off benefits will not be at least equally replaced in the welfare system.

Haringey now has a LAA target to reduce the out of work benefits claim rate by 4.7 percentage points by 2010/11. We also have stretch targets to support 110 lone parents, 120 long-term JSA claimants, and 180 long-term IB claimants into sustained employment by March 2010. All of these targets have reward payments attached to them. We would like to see a situation where these reward payments are directly related to the benefit savings that are achieved through us moving residents from welfare to work. Currently payments are made upon achieving at least 60 per cent of our individual stretch targets. We would encourage payments to be directly linked to every individual benefit claimant we support into sustained employment. Although the current proposals related to IB/ESA claimants we would eventually like this to be extended to include JSA claimants.

If this approach was to prove successful we would not like to see the Annual Managed Expenditure budget slashed to the extent that adequate resources cannot be ploughed back into employment support programmes.

Nevertheless, we are pleased that this approach will be tested in three pathfinder areas from 2010/11 and we would be very interested in working with you to test these proposals further as a pathfinder area from 2011/12.

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

No specific comments.