Department for Work and Pensions Welfare Reform Green Paper: Response from ippr on the proposals

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In responding to the consultation on the green paper ‘No one Written Off’, the Institute for Public Policy Research (ippr) is well placed to answer questions 18, 21, 22 and 23.

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?

Action planning should be developed personally in dialogue between advisers and individual customers. Action Plans should not be restricted in relation to the benefit the customer is on, but rather reflect the individual’s situation and aspirations, with the range of possible support and steps to return to work available to all. Evidence from the National Audit Office, Evaluations of Jobcentre Plus and successful private providers and ippr’s own qualitative research with providers, advisers and customers suggests that employment support which is most effective and cost-effective in the medium-term is:

- Separated from the benefits system;
- Designed around the needs of customers (employees) more than employers;
- Expects and allows for active input from the customer;
- Balances challenge with support to customers as individuals, seeking to develop customers’ self-efficacy;
- Invests additional upfront resource; and
- Gives personal advisers flexibility to manage their customer caseload, time spent with customers and to work directly with individuals. (van Stolk et al 2006; James 2007, ippr, forthcoming)

These core features of effective employment support and action planning should be reflected and rewarded through site management, performance management of advisers and in contracts between Jobcentre Plus and private providers. Aligning the incentives we want for advisers to those affecting providers and local managers, in the Flexible New Deal, is the key to improving the action planning service at the frontline.
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?

Reliable and easy access to individual budgets depends on what form the budget comes in, and what support is offered alongside that. Individual budgets could take a number of forms along a spectrum from cash to an allotted or discretionary account held by an adviser. A number of formats for an individual budget could be available for the disabled person to choose from, on the basis of their abilities and preferences. Any decision as to the nature of individual budgets should be informed by the design and implementation of personal budgets in adult social care services. Many disabled people needing care and support services will not be using out-of-work services, but where they are the logic of independent living would be to connect-up this support.

The quality provision of advice, guidance and advocacy is a necessary requirement to the effective introduction of individual budgets. It is unclear whether personal advisers have the capability to provide this at present. Integrating funding streams may need to be paralleled with a similar streamlining of the advice, guidance and advocacy on offer to disabled people, so that disabled people do not have to meet with multiple professionals from different services, or receive their advice and support in unmanageable, incoherent pieces. This integration could also include assessment procedures, and offers significant efficiency savings.

A right to choice and control, including to an individual budget, could be an effective way to improve services for disabled people. Direct payments in social care offer a useful lesson. Evaluations show that a wide variation in the speed and extent of the expansion of direct payments between local areas was affected by professional and managerial attitudes, and poor awareness amongst customers (Fernández et al 2007). A right to an individual budget could allow disabled people to create bottom-up pressures on services to offer choice and control.

Getting individual budgets right is less about looking for legislative safeguards than about providing effective support for implementation. Two things are crucial to this, and will involve additional resources over the short-term:

- Continuing to provide commissioned services during transitional periods to guarantee support for disabled people; and
- Ensuring staff have the capability to support the use of individual budgets, work with other services and provide directly with disabled people.

Individual budgets, and a right to them, should not be seen as the end of policy, but rather offer a mechanism and impetus for a more personal, citizen-centred service. Focusing on staff capability and commissioning arrangements in employment or other services will remain important.

In addition, individual budgets and a right to them offer an opportunity to better connect and personalise the range of support and services for disabled people. Where individual
budgets have multiple funding streams, they offer better value for money in terms of improved quality of life for the spend that resources spent in the normal way (Glendinning et al 2008). Currently the commitment to introduce of personal budgets for local government social care funds set out in the cross-government concordat ‘Putting People First’, raises questions about what funding streams and what support and services can be provided through them. The right to control over one’s service or support, including knowing the value of that service or support, as proposed in the green paper, is one way connect the support provided for disabled people through the adult social care system (delivered through local authorities) and that occurring through DWP and its agencies.

This potential connection of funds and services across DWP and adult social care has a number of potential benefits for disabled people:

- It could orientate care and support services further towards independent living, which includes opportunities for employment for those who can work;
- It could facilitate a wider, more imaginative notion of effective support for employment than that currently on offer through providers;
- It would recognise that sometimes poor or unreliable care and support services can be an obstacle for people with the full range of disabilities access sustainable employment; and
- It could use resources better, linking them more effectively to what disabled people need and want (Glendinning et al 2008). The risk that a right to ask for a budget would increase demand on resources is real. However, one of the benefits and aims of an individual budget is transparency over resources, which could promote equity in how people’s needs are met.

**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?**

Yes, the DWP should move to a single benefit for all those out-of-work. The introduction of the Employment and Support Allowance, a new benefit, presents an opportunity to bring other benefit streams onto it, and create a single benefit. A single benefit would go further to actively support welfare-to-work policy and services; respond to individual’s needs, and reflect the importance and balance of rights and responsibilities in the benefits system (Stanley and Sainsbury 2007).

A simpler system could be structured where varying needs and responsibilities are agreed at a personal level, between adviser and customer (ibid). The ability of advisers is crucial to making this work (as set out in answer to question 18 above) and this depends upon performance management and contract structures that are aligned with are more personal approach focused on achieving sustainable employment outcomes. The rate of the benefit could be modelled in relation to affordability especially in terms of increased unemployment and labour market volatility, existing benefit rates, and - most importantly - what would create simpler and better incentives to move off benefits and into work. Tax credit and housing benefit reform also needs to be considered in terms of how the benefit rate creates incentives to get people back to work, while not risking progress against the government’s child poverty targets. Moreover, a single benefit should be an income replacement benefit, and cost support for people with
additional needs, such as a disability, should be separate and channelled through non-means tested benefits such as Disability Living Allowance (DLA). This separation of cost support and out-of-work support is important to making the out-of-work benefit support an active employment service (Stanley and Sainsbury 2007).

Moving additional benefit groups into employment support, as the Green Paper proposes and which a single benefit would help facilitate, can only be part of the solution to worklessness. Currently an active employment programme is doing well compared with other services if just thirty per cent of those on it (who have already been out of work for a year or more) move into employment (Van Stolk et al 2006). To increase employment levels, how effective the employment service is for all people with different needs and responsibilities, will be as important as how tough the benefits system is overall. Over-emphasis on benefit type and specific conditions can actually be a barrier to getting people back to work (Stanley and Sainsbury 2007). The present volatility in the labour market and expected significant rises in unemployment can only lesson the ability to draw clear divisions between those that ‘can’t’ and those that ‘won’t’ work. In this economic context, there will be a need to maintain a focus on supporting long-term unemployed people and those with complex or multiple needs back into the labour market, as well as helping newly unemployed people quickly back into work.

**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?**

No, our research suggests that a better model of benefit to move carers currently on Income Support (IS) onto is Employment and Support Allowance (ESA) (Moullin 2007). Intensive levels of caring will mean some carer’s cannot seek paid employment, and caring responsibilities are such that people will need to move out of paid employment for short periods (ibid). The two groups requiring different levels of expectation to look for work built into Employment and Support Allowance could also work well for carers. In contrast, the ‘work-first’ approach of Jobseekers Allowance (JSA) would not be able to respond well to the fluctuating circumstances of many people caring, or the needs of carers who may have been out of the labour market for long periods, or be restricted in the range of jobs they can access. Further, the rate of JSA is not much higher than Carer’s Allowance without the Income Support top-up, and so would do little to improve the income of carers: the core concern set out by consultation with carers as part of the recent Carer’s Strategy Refresh (Work and Pensions Committee 2008).

Carers need active engagement with the labour market, but they also need to combine caring better with paid work (Moullin 2007). Options to support them to do this include enabling people caring for someone in receipt of Disability Living Allowance or Attendance Allowance to get tax-credits on working 16 hours a week (rather than 35 hours a week). Another option is more simply to have a taper on benefits to people caring so that they decrease as working hours increase, giving people an incentive to combine care with some paid work, while not losing all their benefit. Currently the earnings limit on carer’s allowance and income support entitlements is not effective in helping people combine care with paid work (Work and Pensions Select Committee 2008). Ultimately, personal conditions on a single out-of-work benefit would be the
simplest, most effective way to respond to fluid caring responsibilities throughout life within the benefits system (see response to question 22).

Evidence suggests caring intensively or for extended periods involves costs beyond those arising from being out of work (Yeandle and Buckner 2007). These costs may be shared within a family, using funds directed to the disabled person, such as Disability Living Allowance and Attendance Allowance for those over 65 years of age, but it is important that family members caring have access to an independent income. Income Support for carers currently provides this. Abolishing Income Support is not problematic if more effective alternative provision is offered to carers. One alternative would be for carers to access funds to support them with costs incurred in their caring role: income support resources to carers – over £1 billion annually – could fund a carer’s personal budget as a flexible ‘expense account’, rather than an out-of-work payment (Moullin 2008).

References


ippr (forthcoming) The Personal Adviser relationship: Evidence from interviews and focus groups, ippr


Stanley, K and Sainsbury, R (2007) One for All: Active welfare and the single working age benefit, ippr


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