

## **Briefing**

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

This latest Green Paper on welfare reform needs to be read in the context of a range of previous announcements from the DWP and DIUS on benefits, employability and skills, as well as the Welfare Reform Act 2007 which introduced the flexible New Deal programme. At the Scottish level, a range of devolved powers also frame this emerging policy. These include Scottish policies on employability (Workforce Plus, More Choices More Chances and Skills for Scotland) and the Scottish national discussion on Tackling Poverty, Inequality and Deprivation.

*No one written off* takes forward the welfare to work approach by increasing the obligation to work alongside the provision of more services to support the “return to work” process. Organisations from the public, private and voluntary sectors can tender for these services through a commissioning process, similar to that introduced by the DWP for employability services under the flexible New Deal. The Green Paper also suggests that providers could have the “Right to Bid” to deliver specific innovative initiatives for employability.

Most of these new proposals are focused on the transition from Incapacity Benefit (IB) to Employment Support Allowance (ESA) and Job Seekers Allowance (JSA). The Green Paper indicates that the commissioned services may be merged into a “single conditionality regime” for both groups of claimants, and that benefits will be simplified and perverse incentives to work removed with the abolition of Income Support (IS), which is linked to encouraging lone parents into work.

Many of the proposals in this Green paper are based on “conditionality” – the principle that welfare support is only available to those who meet certain “return to work” requirements such as undertaking work experience. Claimants who fail to meet these conditions may face sanctions such as the loss of benefits. We are concerned that even though employability can be a sustainable route out of homelessness, this increasing use of “conditionality” as a driver towards employment is likely to further disadvantage people at risk of homelessness.

The complex range of problems faced by many homeless welfare claimants often makes the compliance with “work search” requirements imposed by conditionality an impossible challenge. The proposed choice between “work for your benefit” or loss of benefits is likely to lead to increased poverty and exclusion for the most vulnerable. Even those capable of meeting the challenge might rightly question whether the removal of the “safety net” of benefits can be justified without the guarantee of real opportunities for employment in their local labour market.

At the same time this conditionality contradicts the message that “work is the best form of welfare”. If we wish to promote the health, social and financial benefits of employment, using work as a sanction gives an inappropriate message about the status and of employment. Incentives rather than sanctions will lead to positive attitudes towards employment. “Work for benefit” should be an option rather than an obligation.

The Green paper also places additional conditions on drug users which will impact on some people at risk of homelessness. For these conditions to act as a positive incentive to resolve substance abuse, it must also be recognised that drug users have a “point of readiness” for treatment, where rapid access to services (including residential treatment), followed by effective support, is needed. Services for drug users, such as pharmacies, must also support working life by being open at appropriate times to enable people to receive treatment without taking time out from work.

Service providers and voluntary organisations working with homeless people may become directly involved with the Green Paper suggestion that the “community sector” could be “incentivised” to provide employment outcomes. With the right support and funding the “social enterprise” model could support more vulnerable claimants through work experience. However, there is concern that these proposals may be confused with and undermine the status of “volunteering”. Volunteering is exactly that; it should not be confused with “community work”, which has conceptual links to the penal justice system that are inappropriate for welfare claimants.

The “Right to Bid” is cautiously welcomed by voluntary sector organisations, as the outcomes-based funding in current commissioning process is a disincentive to innovative projects and untried strategies. Reserved up-front funding for innovative ideas, which is not dependent on hard outcomes, is needed for homelessness organisations in the voluntary sector to be effectively engaged in these proposals. A clear acknowledgement of the support needs for service users is also necessary, as funding based on hard outcomes cannot secure work experience long-term in-work support for vulnerable clients.

Overall, members were disappointed and frustrated by the punitive tone of these proposals, as conditionality will make improved employability a less attractive option for many of the most disadvantaged people they work with. To encourage vulnerable claimants towards the job market we recommend that the following provisions are included in the forthcoming legislation:

- flexible, high quality pre-work services, commissioned on quality rather than cost
- key worker support, extending into the in-work period, for those with multiple and complex needs.
- the right to in-work training to allow low-skilled workers to progress their skills
- longer run-ons and a more flexible right to return to benefits to improve the financial security of vulnerable workers, who may need several attempts to effectively enter the labour market.
- support and incentives for employers to help them ensure that vulnerable workers can sustain employment whilst overcoming complex problems.

*The views expressed in this briefing were developed in a joint meeting with SHEN and SCSH members held on the 29<sup>th</sup> August 2008. They form the basis of our joint response to the DWP formal consultation on the Green Paper “No one written off: reforming welfare to reward responsibility” (July 2008).*

#### **Useful sources:**

More Choices More Chances [www.scotland.gov.uk/Resource/Doc/129456/0030812.pdf](http://www.scotland.gov.uk/Resource/Doc/129456/0030812.pdf)

More support, higher expectations [www.dwp.gov.uk/welfarereform/noonewrittenoff/conditionality\\_paper.pdf](http://www.dwp.gov.uk/welfarereform/noonewrittenoff/conditionality_paper.pdf)

No one written off [www.dwp.gov.uk/welfarereform/noonewrittenoff/noonewrittenoff-complete.pdf](http://www.dwp.gov.uk/welfarereform/noonewrittenoff/noonewrittenoff-complete.pdf)

Opportunity, Employment and Progression [www.official-documents.gov.uk/document/cm72/7288/7288.asp](http://www.official-documents.gov.uk/document/cm72/7288/7288.asp)

Skills for Scotland [www.scotland.gov.uk/Publications/2007/09/06091114/0](http://www.scotland.gov.uk/Publications/2007/09/06091114/0)

Welfare Reform Act 2008 [www.opsi.gov.uk/Acts/acts2007/pdf/ukpga\\_20070005\\_en.pdf](http://www.opsi.gov.uk/Acts/acts2007/pdf/ukpga_20070005_en.pdf)

Workforce Plus [www.scotland.gov.uk/Publications/2006/06/12094904](http://www.scotland.gov.uk/Publications/2006/06/12094904)

Taking forward the Government Economic Strategy [www.scotland.gov.uk/Publications/2008/02/01150409/0](http://www.scotland.gov.uk/Publications/2008/02/01150409/0)